

Talga Appointment Targets Energy Sector Opportunities in North America

Highlights

- North America-based strategic business development manager appointed to assist Talga grow commercial graphite and graphene opportunities
- Mr Michael Lew responsible for developing commercial and strategic relationships, particularly in the energy storage (battery) sector
- Remuneration linked to performance milestones that represent significant catalysts for Talga

Perth-based advanced materials company, Talga Resources Ltd ("Talga") (ASX: TLG), is pleased to announce the appointment of Mr Michael Lew as Business Development Manager, North America. The appointment is in response to Talga's initial engagements with North American end users with interest in graphite and graphene supply for high growth energy sector applications, particularly mobile and stationary batteries.

Mr Lew was formerly an 'Advanced Materials Applications' equity research analyst focused on cleaner energy. His sector of coverage included companies participating in the emerging electric vehicle space such as Tesla Motors, Johnson Controls and Maxwell Technologies and also included high performance material suppliers such as Hexcel, Polypore (acquired by Asahi Kasei) and Zoltek (acquired by Toray Industries). Prior to Wall Street, Mr Lew was an engineer at IBM in various capacities that included product development and global finance, following his education that includes degrees in both material science and chemical engineering. In addition, Mr Lew is an officer with NAATBatt International (an organisation focused on energy storage technology development).

Talga Managing Director Mark Thompson commented:

"Given the rapidly growing rate of applications for graphite and graphene in North America, particularly in the energy sector, Talga is delighted to have secured the services of Michael Lew. He brings a wealth of international materials expertise to our team and his long standing relationships in the battery sector are particularly relevant given Talga's advanced development status. The timing of Michael's appointment aligns with Talga's near term ability to scale up sample supply to achieve commercial partnerships."

Mr Lew's remuneration package will comprise of a monthly consulting fee as well as a performance securities package of two million unlisted options exercisable at \$0.52 per fully paid ordinary share, exercisable at any time prior to 31 December 2016. The performance options will include the following vesting milestones:

- execution of binding formal agreement to collaborate on graphene products with targeted battery industry participant;
- strategic investment from or joint venture with target; and
- receipt of binding off-take for greater than 1,000 tonnes graphene.

For further information, visit www.talgaresources.com or contact:

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Talga Resources Ltd
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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TALGA RESOURCES LTD

ABN

32 138 405 419

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Unlisted Options exercisable at \$0.52 expiring 31 December 2016
The Options vest on the achievement of set commercial performance hurdles. On vesting, the Option holder will have the right to exercise the Unlisted Options by paying the exercise price. Options that do not vest will lapse, unexercised on the expiry date. |

+ See chapter 19 for defined terms.

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New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No – upon conversion into ordinary shares, the allotted and issued shares will rank equally in all respects with an existing class of quoted securities. The options do not entitle the holder to participate in the next dividend or interest payment.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Consideration for Business Development Services</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2014</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>2,000,000</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

⁺ See chapter 19 for defined terms.

6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of ⁺ securities issued under an exception in rule 7.2	Nil	
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under rule 7.1: 18,785,672 Capacity under rule 7.1A: 13,857,115 (See Annexure 1 for details)	
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	3 September 2015	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		138,571,150	Ordinary fully paid shares
		7,712,910	Listed \$0.35 options, expiry 30 November 2015

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New issue announcement

	<i>Number</i>	<i>+Class</i>
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	500,000	Unlisted \$0.45 options, expiry 3 October 2016
	4,000,000	Unlisted \$0.52 options, expiring 31 December 2016
	2,000,000	Unlisted \$0.60 options, expiring 31 December 2016
	2,000,000	Unlisted \$0.65 options, expiring 31 December 2016
	2,500,000	Unlisted \$0.54 options, expiring 23 June 2019
	1,400,000	Unlisted \$0.54 options, expiring 20 August 2019
	1,000,000	Unlisted \$0.54 options, expiring 26 March 2020

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
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12 Is the issue renounceable or non-renounceable?	N/A
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13 Ratio in which the +securities will be offered	N/A
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14 +Class of +securities to which the offer relates	N/A
---	-----

15 +Record date to determine entitlements	N/A
---	-----

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
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17 Policy for deciding entitlements in relation to fractions	N/A
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+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

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- | | | |
|----|--|-----|
| 30 | How do security holders sell their entitlements in full through a broker? | N/A |
| 31 | How do security holders sell part of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities (tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">N/A</td> <td style="padding: 5px;"></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date: 3 September 2015
(Company secretary)

Print name: Dean Scarparolo

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Part 1 Introduced 01/08/12 Amended 04/03/13

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	124,581,409
Add the following: <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 	<ul style="list-style-type: none"> - 670 issued on exercise of options 22/09/14 - 10,000 issued on exercise of options 15/10/14 - 3,052 issued on exercise of options 13/11/14 - 1,000 issued on exercise of options 6/03/15 - 10,019 issued on exercise of options 31/03/15 - 215,000 issued on exercise of options 16/7/15
<ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval 	<ul style="list-style-type: none"> - 13,750,000
<ul style="list-style-type: none"> • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period 	<ul style="list-style-type: none"> - Nil
Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	- Nil
“A”	138,571,150

⁺ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	20,785,672
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	- 2,000,000 Unlisted \$0.52 options, expiring 31 December 2016
“C”	2,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 Note: number must be same as shown in Step 2	20,785,672
Subtract “C” Note: number must be same as shown in Step 3	2,000,000
Total [“A” x 0.15] – “C”	18,785,672 [Note: this is the remaining placement capacity under rule 7.1]

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	138,571,150
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	13,857,115
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	Nil

+ See chapter 19 for defined terms.

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	13,857,115
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	13,857,115 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.