



TALGA AND HAYDALE TO COLLABORATE ON GRAPHENE DEVELOPMENTS

Highlights:

- Collaboration term sheet signed with UK based graphene functionalisation company, Haydale Graphene Industries PLC
- Agreement unites emerging industrial-scale graphene developers to jointly explore business opportunities and refined graphene products
- Talga-supplied graphene and graphitic carbon nanomaterials will provide a source for Haydale to modify the material for specific applications

Technology materials development company, Talga Resources Ltd (ASX: TLG) ("Talga" or "the Company") is pleased to advise that it has signed a non-binding term sheet ("Term Sheet") with Haydale Graphene Industries PLC ("Haydale") in relation to formal collaboration on the development of finished graphene composite and ink products. Together, Talga and Haydale will jointly explore business co-operation opportunities through the supply of Talga graphitic carbon nano-materials, graphite and graphene nanoplatelets ("GNP's") and testing these with Haydale's value-add processing and end user demand chains.

The aim of the collaboration is to combine resources and expertise to significantly accelerate graphene commercialisation opportunities, and deliver superior technology material solutions to end users at industrial scales.

Haydale is listed on the AIM market of the London Stock Exchange and owns a proprietary process to functionalise graphene and other nanomaterials. Haydale and its subsidiaries have purpose built facilities in South Wales and are focused on facilitating applications of graphene in fields such as inks, sensors, energy storage, photovoltaics, composites, paints and coatings. Haydale acquired EPL Composite Solutions in November 2014 as a route to market for its plasma functionalisation technology (where 'functionalisation' refers to the means to chemically modify nano-materials such as graphene so they can be dispersed effectively in a target matrix to make 'fit for purpose').

Haydale has strong expertise with advanced polymer composite materials and has a track record of working with original equipment manufacturers (OEM's). Importantly, Haydale has received independent verification from test-work by USA based Aerospace Corporation that an epoxy composite combined with its functionalised GNP's more than doubled in tensile strength and modulus. Further, Haydale's GNP's added to Carbon Fibre Reinforced Plastic in a Cardiff University program demonstrated that *"resin infusion can be used to produce nano-reinforced carbon fibre composites with clear potential for substantial improvements in mechanical properties"*.

Talga is an emerging large-scale graphene primary producer that currently intends to provide basic finished graphene materials to end users or intermediaries for integration into end use applications. Talga will focus on its manufacturing strengths in the short term and this creates an opportunity to work with groups like Haydale who have downstream nanomaterials expertise and mature commercial dialogues with certain end users.

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Corporate Information

ASX Code **TLG/TLGO**

Shares on issue **138.36m**

Options (unlisted) **11.90m**

Options (listed) **7.71m**

Company Directors

Keith Coughlan

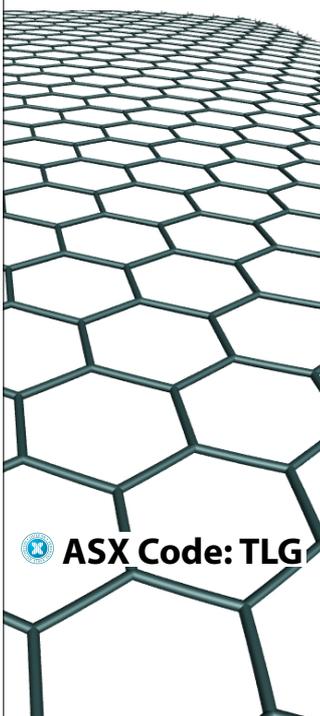
Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director



Talga Managing Director Mark Thompson commented:

"We are delighted to enter into this collaboration with Haydale who are positioned further down the supply chain from Talga and together provide optimised graphene products tailored for specific applications. The speed at which industry will adopt graphene into real world applications is in part linked to the sophistication and nanomaterial handling capabilities of end users. In some circumstances, if materials are not in a format that can be mixed directly with the end product matrix, handling techniques can cause varied results. Haydale has an established track record at providing these solutions but requires a source of graphitic carbon nanomaterials. Talga has a special and large natural source from which to produce low defect graphene, so there is a tremendous opportunity to upscale feed to Haydale's processes and leverage from existing opportunities that Haydale has created".

Ray Gibbs, CEO at Haydale added:

"As a solutions provider with a unique enabling technology we are constantly seeking new nanomaterials to evaluate. Many customers are asking where the "second source" of material is and having an alternative supply is very important in commercial sales. We have been saying for a very long time that the successful commercialisation of graphene and other nanomaterials requires a consistent quality of the base material in order to be able to produce consistent results in the finished product which is why we are constantly looking for new sources to add to the already growing list of approved suppliers.

We have been talking to Talga for some time about its capabilities, it's graphitic carbon nano-materials, and the potential synergies the companies share. We wish to fully evaluate these materials and ascertain what difference our functionalization process can make. In particular with the arrival of Talga's German operations and near term large samples, now is the right time to enter into a formal relationship, providing the framework for both parties to work together on a series of programs."

For further information, please contact:

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About Talga

Talga Resources Ltd ("Talga") (ASX: TLG) is a technology materials company with a simple and cost effective process to liberate graphene and graphite directly from its 100% owned natural graphite ore deposits in Sweden. Talga's unique deposits and proprietary processes provide a nominal cost path to high quality graphene production that overcome cost and volume barriers to graphene supply, thereby unlocking additive applications.

Trial mining is underway and commercial amounts of graphene platelets for industry will be provided at scale from Talga's German pilot plant facility. The end applications may include the production of intermediates such as inks, polymers, master-batches and dispersions based on Talga graphene.

Talga's legacy non graphite assets in Sweden and Australia, including a cobalt-rich IOCG, are all to be commercialised to provide funds for the core graphite projects.