



ASX Code: TLG

Talga Gold Ltd

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Issued Capital

as of Jun 30, 2012

46.35m Shares

4.35m Options (unlisted)



Talga announces \$2.3m capital raising

- \$2.3m Capital Raising completed
- Secured new and existing institutional support

Diversified mineral explorer Talga Gold Limited (ASX: TLG; "Talga" or "the Company") is pleased to announce that it has secured the support of new and existing institutional investors as part of a **A\$2.3 million** capital raising ("Capital Raising") to continue its development of the Company's graphite, iron ore and gold projects.

Capital Raising

The Capital Raising, comprises a private share placement to institutional and sophisticated investors of 6.95 million ordinary Talga shares at 32.5 cents per share to raise A\$2.3 million. The Capital Raising was priced at a 19% discount to the Company's closing share price on 17 July 2012.

The funds significantly strengthen the Company's balance sheet and add further weight to its share register ahead of the comprehensive drill campaign currently being undertaken on the Company's Swedish graphite and iron ore assets.

Commenting on the Capital Raising, Talga's Managing Director, Mark Thompson, said:

"The placement was very well supported by existing strategic shareholders and the Board of Talga is delighted to welcome to the register a number of domestic and international institutional clients of Lead Manager Ord Minnett."

"The investment interest focuses on our 100% owned graphite projects, that are renowned as being amongst the highest grade and advanced graphite deposits in the world. Together with the iron ore and gold/copper assets Talga's now looks to become a resource developer.

The funds will primarily be used for resource upgrade drilling being performed on the Company's Nunasvaara and Raitajärvi graphite projects and the Masugnsbyn iron ore project leading towards a preliminary (scoping) economic studies and marketing/offtake studies. Metallurgy analysis will also continue.

The details of the Capital Raising and information required by ASX Listing Rule 3.10.3 are set out below:

- Shares issued under the Capital Raising will be fully paid ordinary shares in the capital of the Company;
- Shares under the Capital Raising will be issued at 32.5 cents per share, being a 19% discount to the Company's last traded price before the trading halt on 17 July 2012
- The shares issued under the Capital Raising will be made in one tranche;
- The allotment of 6.95 million shares, which is not subject to shareholder approval and falls within the Company's ASX Listing Rule 7.1 15% capacity, will be issued on approximately 26 July 2012;
- The purpose of the Capital Raising is set out above; and

- The Capital Raising is not being made to a specific class of security holders. As set out above, various existing and new institutional and professional investors of Ord Minnett will participate in the Capital Raising.

For further information, please contact:

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ABOUT TALGA GOLD

Talga Gold (**Talga**) (ASX: "TLG") is a diversified mineral explorer with a portfolio of graphite, iron, copper and gold projects in Sweden and Western Australia.

Since listing in July 2010, Talga has been actively exploring its portfolio of gold projects in the Yilgarn and Pilbara regions of Western Australia. In 2011, Talga identified and subsequently acquired a number of graphite, iron and IOCG projects in Sweden.

GRAPHITE

Talga wholly owns a portfolio of advanced and high grade graphite projects in the Kiruna Mineral District of northern Sweden, all within a 110km radius of the central Jalkunen project.

The immediate focus is to advance multiple graphite projects towards development, with fast-tracking available due to the advantage of established quality infrastructure including power, road, rail and ports. Initially this will entail the expansion in size and upgrading of the categorisation of the existing high grade graphite resources published for Nunasvaara and Raitajärvi.

Additionally, it is also the Company's objective to complete drilling on a number of other projects, including the multiple JORC-code compliant exploration targets associated with the Jalkunen project.

IRON

Talga owns 100% of six exploration permits in the Kiruna mineral district recognised as containing significant iron ore deposits with considerable growth upside based on historic drilling and JORC compliant resources and exploration targets.

Talga's strategy is to advance the iron ore projects within the area and at an appropriate stage consider options to commercialise these assets either in their own right or in conjunction with other parties.

GOLD

Talga is actively exploring high grade gold projects in the Yilgarn and Pilbara regions of Western Australia. Additionally the Company owns several copper-gold projects within its Sweden portfolio.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Dylan Jeffriess who is a member of the Australian Institute of Geoscientists. Mr Jeffriess is a consultant to the Company and has sufficient experience which is relevant 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" ("JORC Code"). Mr Jeffriess consents 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 2004 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.