

Talga Delivers First Value-Added Graphene Product

Talga Resources Ltd

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Corporate Information

ASX Code **TLG, TLGOA**

Shares on issue **181.9m**

Options (listed) **44.9m**

Options (unlisted) **36.2m**

Company Directors

Keith Coughlan

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director

Stephen Lowe

Non-Executive Director

- Graphene coating product manufactured and delivered to industry partner
- First milestone of value-added 'products' strategy
- Patent filed and trademarks registered

Talga Resources Ltd ("Talga" or "the Company") (ASX Code: TLG) is pleased to advise it has produced and delivered its first value-added graphene based product. The product, a metal pre-treatment coating ("Coating"), was delivered to a leading global coatings company following the filing of a patent application over the Coating composition and production method.

The Coating is the first of a range of targeted value-added products that Talga is developing and looking to commercialise (see ASX:TLG 19th July 2016). The global coatings company assessing the Coating will undertake accelerated application and performance trials over coming months.

At the same time, further tests on Talga's Coating are underway at research institutions in India and the UK, where scientific peer review analysis and publication of the results will be conducted. Pending the outcome of the industry and academic Coating test work, the Company will, in addition to existing raw material initiatives, pursue commercial opportunities including licensing and royalty arrangements with third parties.

Talga's patent application over its Coating composition and manufacturing method allows the Company to enter into formal metal pre-treatment knowledge sharing undertakings and expands the Company's intellectual property ("IP").

As part of the Company's IP initiatives, it has also moved to globally trademark 'Talphene' and 'Talphite' as Talga's respective brands for industrial scale graphene and micro-graphite products. Talphene™ and Talphite™ will form the marketing platform for Talga's products manufactured via its unique production technology.

Talga Managing Director Mark Thompson said: *"This milestone is the first step to open up numerous growth opportunities in valuable industrial scale markets for graphene products. We have now demonstrated our capability in producing the first of what will be a range of targeted, value-added products to complement Talga's raw material manufacturing. This supports our strategy to broaden the range of future revenue options and provides opportunities to pursue licensing and royalties associated with the products themselves, as well as the processes adopted to manufacture the compositions."*



Coating Background

Talga's Coating has the potential to be used in many industries, but is particularly well suited to the automotive, electronics and aerospace markets and anywhere the use of toxic chemicals, such as hexavalent chromium ("Chrome VI"), are banned.

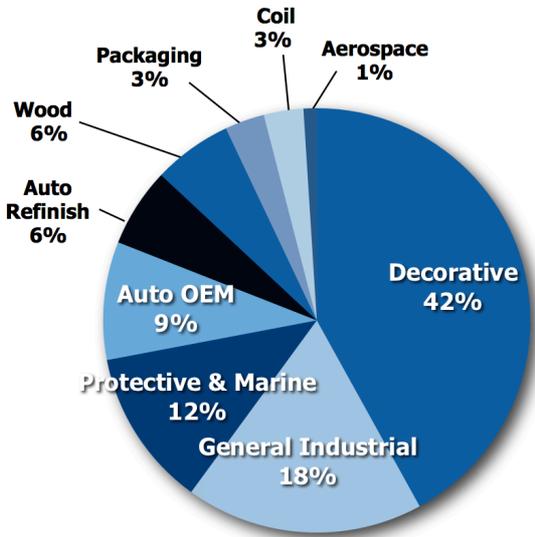
Talga's Coating is devoid of industry standard Chrome VI and instead offers enhanced corrosion protection by harnessing graphene's extreme electrical conductivity, impermeability and chemical structure to form a new generation high performance coating.

Additionally, the Coating can be applied with industrial scale roll to roll machinery, reducing post-formation spray coating steps and improving manufacturing efficiency across products including automobile bodies to battery casings.

The total global coatings pre-treatment sector is worth about US\$15B per annum and falls within the US\$120B paint and coatings market, which has reported compound annual growth of over 5% (see Fig 1 and 2, refs a-c).

Fig 1. Paints and Coatings Global Market US\$/annum.

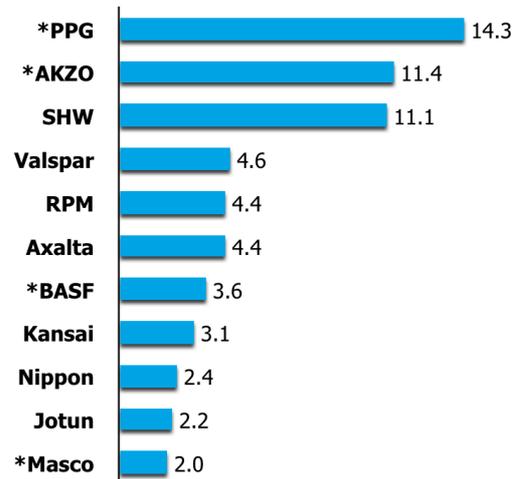
Total Paints and Coatings Market : \$120 Billion



Source: Jan 2016 Valspar Investor Presentation after 2013 Orr & Boss, Kusumgar, Nerlifi & Growney

Fig 2. Paints and Coatings Market Leaders US\$/annum.

Global Leaders by Sales (\$Billion)



Source: Jan 2016 Valspar Investor Presentation & Company reports.
* Excludes non-coating sales

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

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References:

- a Metal Finishing Market - Trends and Forecasts (2015-2020) Aug 2016, Mordor Intelligence LLP
- b 2013 Orr & Boss, Kusumgar, Nerlifi & Growney, Euromonitor 2014
- c Valspar Jan 2016 Investor Presentation

About Talga

Talga Resources Ltd ("Talga") (ASX: TLG) is an industrial minerals company developing graphene and micrographite products for the advanced materials market.

Target markets include coatings, energy storage, construction products and composites, with Talga products having significant potential advantages in value and application range - owing to unique ore and patent pending process technology.

Talga sources graphite ore from its 100% owned deposits in Sweden, with pilot test processing at the Company's pilot test facility in Germany. Construction of commercial scale mining operations and on site processing plant in Sweden will commence post mine permitting and completion of commercial supply agreements. Collaborative testing is underway with a range of corporations including industrial conglomerate Tata and UK listed Haydale.

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