

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Talga Resources Ltd

ABN

32 138 405 419

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation <sup>1</sup>	(198)	(914)
(b) development <sup>2</sup>	(655)	(2,023)
(c) trial mining <sup>3</sup>	(97)	(755)
(d) administration <sup>4</sup>	(678)	(2,354)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	90
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other:	-	-
R&D Rebate	520	520
<b>Net operating cash flows</b>	<b>(1,092)</b>	<b>(5,436)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(454)	(785)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – option fee on divestment of non-core projects	-	250
Other – misc	-	-
Other – security bond payment	-	(48)
<b>Net investing cash flows</b>	<b>(454)</b>	<b>(583)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,546)</b>	<b>(6,019)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,546)	(6,019)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares/options	9,960	12,735
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	(474)	(625)
	<b>Net financing cash flows</b>	9,486	12,110
	<b>Net increase (decrease) in cash held</b>	7,940	6,091
1.20	Cash at beginning of quarter/year to date	3,824	5,673
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	11,764	11,764

Notes

<sup>1</sup> Exploration and evaluation includes exploitation licence application costs.

<sup>2</sup> Development includes costs towards the pilot plant and processing facility and R&D in Germany.

<sup>3</sup> Trial mining in Sweden.

<sup>4</sup> Administration includes European subsidiaries.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	135
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amount included under 1.23 includes director's remuneration.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation <sup>1</sup>	500
4.2	Development <sup>2</sup>	550
4.3	Trial mining <sup>3</sup>	940
4.4	Administration <sup>4</sup>	750
<b>Total</b>		<b>2,740</b>

Note

<sup>1</sup> Exploration and evaluation included exploitation licence application costs.

<sup>2</sup> Development includes costs towards the pilot plant and processing facility and R&D in Germany.

<sup>3</sup> Trial mining in Sweden – 2016 Campaign.

<sup>4</sup> Administration includes European Subsidiaries.

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,191	246
5.2 Deposits at call	10,573	3,578
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>11,764</b>	<b>3,824</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference<sup>+</sup>securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 <b>+Ordinary securities</b>	181,855,075	181,855,075		
7.4 Changes during quarter				
(a) Increases through issues	-	-		
<i>Conversion of options</i>	35,571,015	35,571,015		
<i>Share placement</i>	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	500,000	-	45 cents	3 October 2016
	2,000,000	-	52 cents	31 December 2016
	2,000,000	-	52 cents	31 December 2016
	2,000,000	-	60 cents	31 December 2016
	2,000,000	-	65 cents	31 December 2016
	2,400,000	-	60 cents	4 October 2018
	4,500,000	-	60 cents	4 October 2018
	2,500,000	-	54 cents	23 June 2019
	1,400,000	-	54 cents	20 August 2019
	1,000,000	-	54 cents	26 March 2020
	1,000,000	-	54 cents	17 December 2020
	2,000,000	-	42 cents	3 May 2019
7.8 Issued during quarter	2,000,000	-	42 cents	3 May 2019
7.9 Exercised during quarter	-	-		
7.10 Expired/Lapsed during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Dean Scarparolo  
Company Secretary

Date: 29 July 2016

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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