+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Talga Resources Ltd

ABN	**Quarter ended ("current quarter")**
32 138 405 419	30 Sept 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	(6)	(6)
1.2	Payments for		
	(a) exploration & evaluation (i)	(141)	(141)
	(b) development (ii)	(1,203)	(1,203)
	(c) production	-	-
	(d) staff costs	(557)	(557)
	(e) administration & corporate costs (iii)	(651)	(651)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	100	100
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - grants	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,458)**	**(2,458)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(234)	(234)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10) [(iv)]	250	250
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Bond refund	50	50
	Other – Grants	-	-
2.6	**Net cash from / (used in) investing activities**	**66**	**66**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares [(v)]	7,349	7,349
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	76	76
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – security issue costs	(414)	(414)
3.10	**Net cash from / (used in) financing activities**	**7,011**	**7,011**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,937	11,937
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,458)	(2,458)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	66	66
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,011	7,011
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period** (v)	**16,556**	**16,556**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	137	459
5.2	Call deposits	16,419	11,478
5.3	Bank overdrafts		
5.4	Other security deposit		
5.5	**Cash & cash equivalents at quarter end (should equal item 4.6 above)**(v)	**16,556**	**11,937**

Notes:
(i) Exploration and evaluation includes Sweden drilling & mining permitting costs
(ii) Development includes UK product development, Germany test facility operations and Sweden Vittangi feasibilty studies.
(iii) Administration includes Sweden

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	262
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Amounts under 6.1 include director's remuneration.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation (i)	850
9.2	Development (ii)	1,900
9.3	Production	-
9.4	Staff costs	450
9.5	Administration and corporate costs (iii)	740
9.6	Other	40
9.7	**Total estimated cash outflows**	**3,980**

Note:
(i) Exploration and evaluation includes Swedish drilling & mining permitting costs
(ii) Development includes UK product development, German test facility operations and Swedish Vittangi feasibility studies.
(iii) Administration includes Sweden.

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Sweden - Norrbotten County			
		Jalkunen nr 2	Tenement holder	100%	0%
		Lautakoski nr 3	Tenement holder	100%	0%
		Western Australia-			
		E77/2139	Tenement holder	100%	0%
		E77/2221	Tenement holder	100%	0%
		E77/2222	Tenement holder	100%	0%
		E77/2251	Tenement holder	100%	0%
		E77/2350	Tenement holder	100%	0%
		P77/4106	Tenement holder	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: .... Date: 31 October 2018
(Company secretary)

Print name: Dean Scarparolo

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.