

talga

For personal use only

Talga Group Ltd

Corporate Presentation



Authorisation

This Presentation is dated 7 October 2022 and has been prepared by Talga Group Ltd (**Talga or Company**) in connection with Talga's proposed equity raising of new ordinary shares in Talga (**New Shares**) comprising a placement of New Shares to institutional and sophisticated investors under section 708A of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Placement**) and a share purchase plan (**SPP**) open to eligible shareholders under ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, and is authorised for release by the Board of Directors of the Company. This presentation provides a general overview of the Company and its strategy, which is current as at the date of this presentation. Each Lead Manager is acting as lead manager and bookrunner to the Placement. Neither the Placement or SPP is underwritten by the Lead Manager Group (defined below). By receiving this presentation, you are agreeing to the following.

Summary information

This presentation does not purport to be all inclusive or to contain all the information that you or any other party may require to evaluate the prospects of the Company. This presentation has been prepared with due care but no representation or warranty, express or implied, is made with respect to the accuracy, reliability or completeness of the information contained in this presentation. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Talga is not responsible for updating, nor undertakes to update, this presentation. The information in this presentation should be read in conjunction with Talga's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au. To the fullest extent permitted by law, the Company, the Joint Lead Managers (defined below) and the Lead Manager Group make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this presentation and expressly disclaim all responsibility and liability for any loss or damage arising in respect of your reliance on the information contained in this presentation (including your reliance on the accuracy, completeness or reliability of that information), or any errors in or omissions from this presentation, including any liability arising from negligence.

Disclaimer

This Presentation has been prepared by the Company based on information from its own and third party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. Talga has entered into a placement agreement with the Joint Lead Managers in respect of the Placement (**Placement Agreement**). Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents (together, **Affiliates**) disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this Presentation including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this Presentation, its accuracy, completeness, currency or reliability.

Not investment advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice). Each recipient of the Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes might have on the Company. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of New Shares.

Financial data and rounding

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. The financial information contained in this Presentation may not necessarily be in statutory format. Investors should be aware that financial data in this Presentation includes "non-IFRS financial information" under the Australian Securities and Investments Commission's Regulatory Guide 230 and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Past performance

Past performance and pro forma historical financial information is given for illustrative purposes only. It should not be relied on and is not indicative of future performance including future security prices.

Forward-looking statements

This Presentation contains certain forward-looking statements. as of the date on which the statements were made. This forward looking information includes, among other things, the Company's business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, and prospects of the Company. The words 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements are based on the Company's assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and its Affiliates. These forward-looking statements are also based on the Company's expectations, estimates and projections as of the date on which the statements were made.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of the Company's business strategies, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

Forward-looking statements (cont.)

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to the Company as at the date of this Presentation. Except as required by applicable laws or regulations, none of the Company, its Affiliates or the Lead Manager Group undertakes to provide any additional information or revise the statements in this Presentation, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

Investment risk and other risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Talga and its directors, including possible loss of income and principal invested. Talga does not guarantee any particular rate of return or the performance of the Company nor does it guarantee any particular tax treatment. Investors should have regard to the "Key Risks" section of this presentation at Appendix B when making their investment decision. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Talga (including New Shares) in the future. There is no guarantee that the New Shares will make a return on the capital invested or that there will be an increase in the value of the New Shares in the future.

Market data

Certain market and industry data used in this Presentation may have been obtained by the Company from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its Affiliates or the Lead Manager Group have independently verified any market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not an offer or an invitation to acquire New Shares or any other financial products. This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with ASIC.

This Presentation is not and should not be considered an offer, recommendation or an invitation to subscribe for or acquire securities or any other financial products. The Placement will be conducted under section 708A of the Corporations Act as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and will be made available to certain persons who are "professional" or "sophisticated" investors (as defined in subsections 708(8) and 708(11) of the Corporations Act).

Foreign selling restrictions

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy New Shares in the United States or any other jurisdiction where it would be illegal, and will not form any part of any contract or commitment for the acquisition of New Shares.

This Presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The distribution of this Presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this Presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to the section of this Presentation headed "Foreign Selling Restrictions" in Appendix C for more information.

JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (**JORC Code**). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this Presentation comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

Additional Disclaimer

Morgan Stanley Australia Securities Limited (ABN 55 078 652 276) and Euroz Hartleys Limited (ABN 33 104 195 057) (**Joint Lead Managers**) are acting as joint lead managers and bookrunners of the Placement. The Joint Lead Managers have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Presentation and there is no statement in this Presentation which is based on any statement made by it or by any of its affiliates or related bodies corporate (as defined in the Corporations Act), or any of their respective directors, officers, partner, employees, contractors, consultants, agents or advisers (together, the **Lead Manager Group** or **Lead Managers**). To the maximum extent permitted by law, the Lead Manager Group expressly disclaims:

- all liabilities (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of, and makes no representations regarding, and takes no responsibility for, any part of this Presentation and makes no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Presentation or that this Presentation contains all material information about the Company or which a prospective investor or purchaser may require in evaluating a possible investment in the Company or an acquisition of securities in the Company, or the likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement;

Additional Disclaimer (cont.)

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs incurred by you as a result of your participation in, or failure to participate in, the Placement or the SPP or the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and
- any obligation or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions.

No member of the Lead Manager Group:

- makes any recommendation as to whether you or your related parties should participate in the Placement or the SPP nor do they make any representations or warranties to you concerning the Placement or the SPP;
- accepts any fiduciary obligations to or relationship with you or your related parties (or any investor or potential investor) in connection with the offer of shares in the Company or otherwise; or
- has independently verified any of the information in this Presentation.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Placement is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of the Company and the Joint Lead Managers. You further acknowledge and agree that each of the Company and the Lead Manager Group exclude and expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- allocations are at the sole discretion of the Joint Lead Managers and/or the Company. The Joint Lead Managers and the Company disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- the Joint Lead Managers and the Company reserve the right to change the timetable in their absolute discretion including by closing the Placement bookbuild early or extending the Placement bookbuild closing time (generally or for particular investor(s)) in their absolute discretion (but have no obligation to do so), without recourse to them or notice to you. Furthermore, communications that a transaction is "covered" (i.e. aggregate demand indications exceed the amount of the security offered) are not an assurance that the transaction will be fully distributed.

The Joint Lead Managers (and their affiliates) are each a full service financial institution engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Joint Lead Managers and their affiliates have provided, and may in the future provide, financial advisory, financing services and other services to the Company and to persons and entities with relationships with the Company, for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Joint Lead Managers and their affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and those investment and trading activities may involve or relate to assets, securities and/or instruments of the Company, and/or persons and entities with relationships with the Company. The Joint Lead Managers and their affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of those assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in those assets, securities and instruments.

In connection with the Placement, one or more investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Joint Lead Managers (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire securities in the Company in connection with the writing of those derivative transactions in the Placement and/or the secondary market. As a result of those transactions, the Joint Lead Managers (or its affiliates) may be allocated, subscribe for or acquire New Shares or securities of the Company in the Placement and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in the Company acquired by the Joint Lead Managers (or its affiliates) in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Managers (or its affiliates) disclosing a substantial holding and earning fee.

The Joint Lead Managers (and/or its affiliates) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in its capacity as a Joint Lead Managers to the Placement. As disclosed to ASX on 18 November 2020, Morgan Stanley Australia Securities Limited (ABN 55 078 652 276) has been appointed as the Company's Financial and Transaction Advisor. As part of this, Morgan Stanley has been assisting the Company in identifying and evaluating potential outcomes which may emerge from ongoing project development partnership, customer and financing discussions with European and international parties. Morgan Stanley has received or may receive success and incentive fees in that capacity.

General

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. The Company may in its absolute discretion, but without being under any obligation to do so, update or supplement this Presentation. Any further information will be provided subject to the terms and conditions contained in this "Disclaimers and additional information".

The Company reserves the right to withdraw the Placement or the SPP or vary the timetable for the Placement or the SPP without notice and in its absolute discretion.

In consideration for being given access to this Presentation, you confirm, acknowledge and agree to the matters set out in this "Disclaimers and additional information" and any modifications notified to you and/or otherwise released to ASX.

talga

For personal use only

Overview of the offer



Details of the Offer

For personal use only

Placement	<ul style="list-style-type: none"> • Institutional placement to professional and sophisticated investors to raise A\$22 million (the "Offer"). • Proceeds will be used to fund advancement of the Vittangi Anode Project, expanded operation of the Electric Vehicle Anode pilot plant, Niska expansion workstreams and resource drilling, next generation anode product development, and for general working capital. • The placement of 20 million ordinary shares ("New Shares") will be issued using Talga's existing placement capacity pursuant to ASX Listing Rule 7.1 .
Share Purchase Plan⁽¹⁾	<ul style="list-style-type: none"> • Up to A\$10 million Share Purchase Plan ("SPP"). <ul style="list-style-type: none"> – Eligible Talga shareholders with a registered address in Australia and New Zealand on the record date will be invited to invest up to A\$30,000 in New Shares per shareholder. – No brokerage or transaction costs are payable for shares issued under the SPP.
Issue Price	<ul style="list-style-type: none"> • New Shares will be issued at a fixed price of A\$1.10 ("Issue Price"), representing a discount of: <ul style="list-style-type: none"> – 17.0% to Talga's last closing price on 5 October 2022 of A\$1.325; and – 16.2% to the 10-day volume weighted average price (VWAP) of A\$1.313.
Ranking	<ul style="list-style-type: none"> • New Shares issued under the Placement and the SPP will rank equally with existing Talga shares on issue.
Bookrunner	<ul style="list-style-type: none"> • Morgan Stanley Australia Securities Limited and Euroz Hartleys are acting as Joint Lead Managers and Bookrunners to the Offer.

Sources and Use of Proceeds

For personal use only

Sources of Proceeds	A\$MM
Institutional Placement ¹	22.0
Total	22.0

Use of Proceeds ¹	A\$MM
Vittangi Anode Project early works / long lead items	6.0
EVA and trial mine processing and operating costs	6.5
Resource expansion drilling and Niska expansion work streams	2.5
Next generation anode product development (including silicon scale-up work-streams)	3.0
General working capital including transaction costs	4.0
Total	22.0

Offer Timetable

For personal use only

Placement Timetable	Date
SPP Record Date (5:00pm (AWST))	Thursday, 6 October 2022
Trading halt	Thursday, 6 October 2022
Placement	Thursday, 6 October 2022
Announcement of Placement and SPP	Friday, 7 October 2022
Trading halt lifted and securities recommence trading	Friday, 7 October 2022
Settlement of New Shares issued under the Placement	Thursday, 13 October 2022
Allotment and normal trading of New Shares issued under the Placement	Friday, 14 October 2022
SPP Timetable	Date
SPP opens and dispatch of SPP Booklets	Friday, 14 October 2022
SPP closes	5:00pm (AWST) on Friday, 28 October 2022
Announcement of results of SPP	Tuesday, 1 November 2022
Settlement of New Shares issued under the SPP	Thursday, 3 November 2022
Allotment of New Shares issued under the SPP	Friday, 4 November 2022
Holding statements in respect of New Shares issued under the SPP	Monday, 7 November 2022
Normal trading of New Shares issued under the SPP	Tuesday, 8 November 2022

For personal use only

talga

Company overview



Corporate overview

Talga is delivering on its strategy to become a significant producer of Li-ion battery anode products and technologies



CAPITAL STRUCTURE

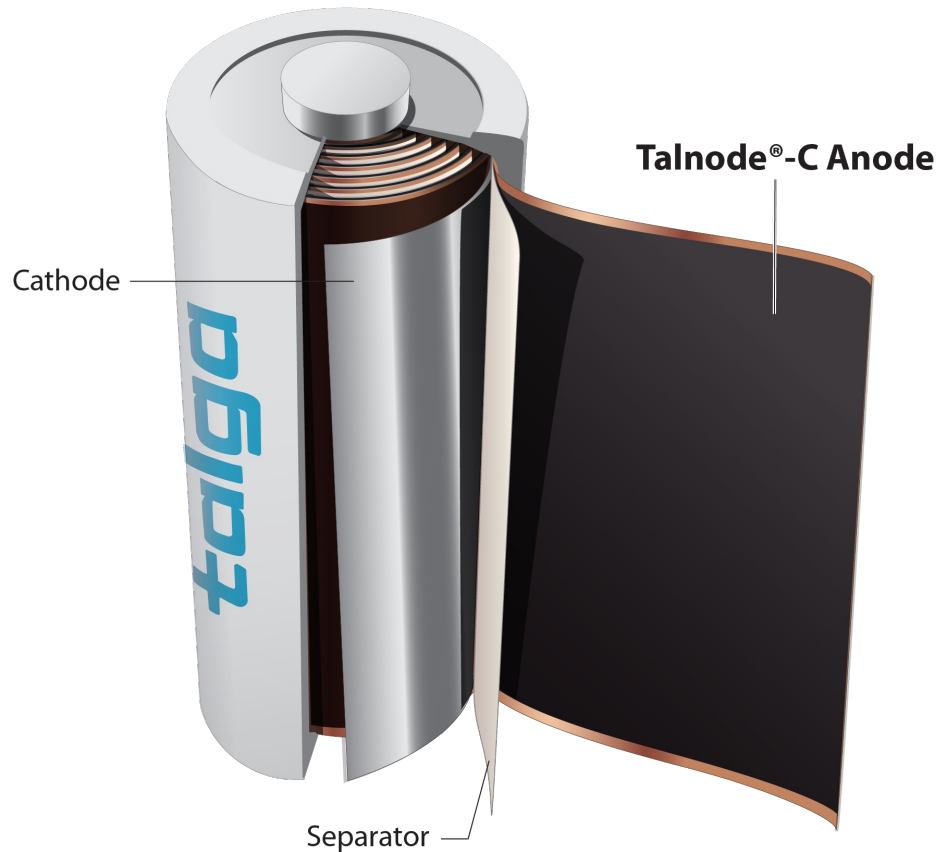
ASX Listing Code:	TLG
Market Capitalisation:	\$390.4M
Listed Shares:	304.9M
Unlisted Options:	13.4M ⁽¹⁾
Cash as at 30 September 2022:	~\$5M

MAJOR SHAREHOLDERS

Mark Thompson – M. Director	4.7%
Kinetic Investment Partners	4.4%
UBS AG (Private Banking)	2.9%
Yandal Investment Pty Ltd	1.6%
TD Ameritrade, Inc.	1.4%

TOP 20 SHAREHOLDERS	28.3%
Total number of shareholders	11,592

Sustainable, integrated and cost efficient production of anode for lithium-ion batteries



- ✓ Green anode – up to **6x lower CO₂-eq** than China/Africa based supply chains¹.
- ✓ Highest grade natural resource in world², largest in Europe and uniquely suited for anode production.
- ✓ Customer interest significantly exceeds planned production capacity.
- ✓ Now operating Europe's first coated anode plant (EVA) to produce **large scale customer samples for final qualification process/offtakes**.
- ✓ Creates major operator to **decouple from Chinese dominance** and provide local, reliable and green supply chain.

Localised supply for European battery market (~1,1TWh capacity by 2031 requiring 1.3Mt anode)

For personal use only

VOLKSWAGEN northvolt Panasonic VOLVO SK innovation

MORROW FREYR Renewable energy storage VERIKOR FAAM MES MAGNA ENERGY STORAGE ACC AUTOMOTIVE CELLS Co

CATL InoBat STELLANTIS SAMSUNG amte

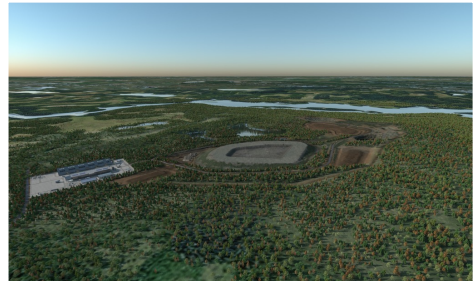

Envision AESC microvast VARTA

BRITISHVOLT ITALVOLT TESLA

Leclanché Energy Storage Solutions LG Chem SVOLT 蜂巢能源 FARASIS



**Integrated Operations
in northern Sweden**
Vittangi graphite mine
and concentrator

Luleå Anode Plant

Company Update – Delivering on strategy

2021/2022 Milestones reached

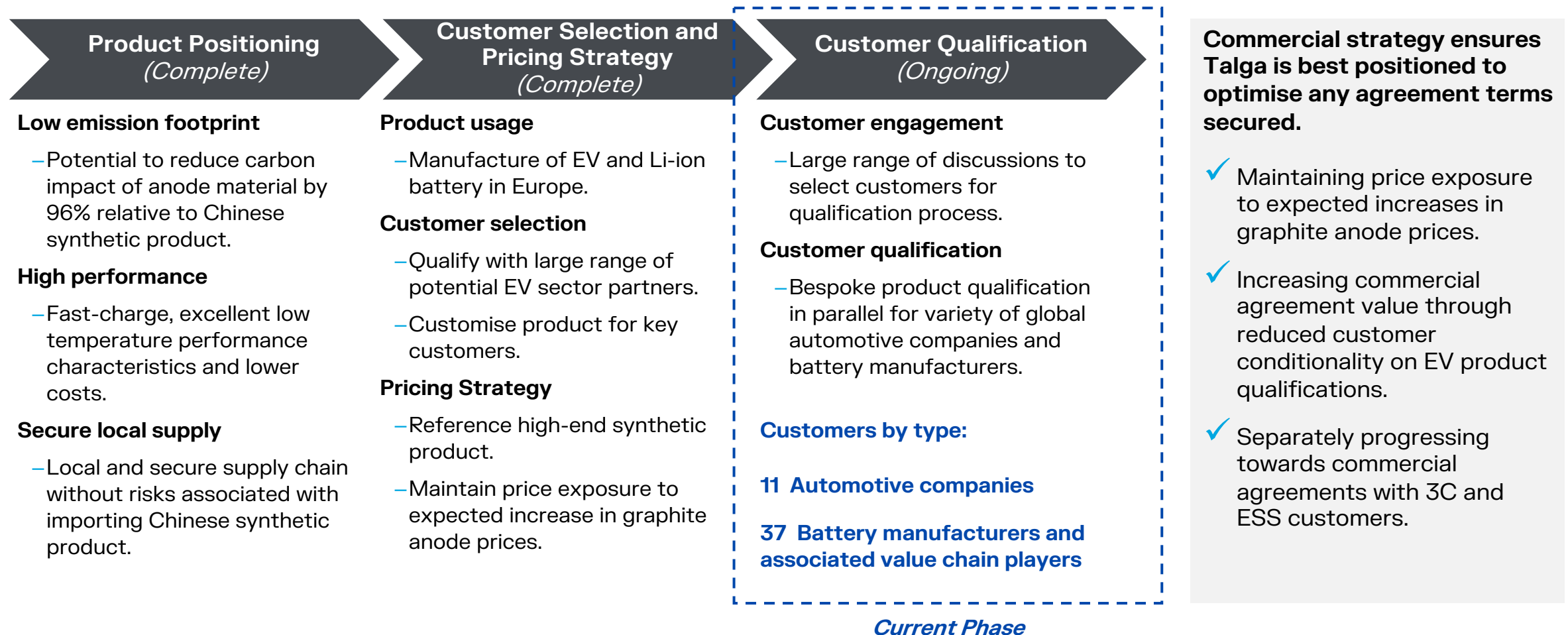
- ✓ Completed DFS for 100% owned Vittangi Mine-to-Anode Project. FEEDs and project optimisation near completion.
- ✓ Commissioned (on time, under budget) and operating EVA Plant. Qualification uses graphite concentrate to produce Talnode®-C.
- ✓ Environmental permit application progressed.
- ✓ Vittangi 54% resource increase completed.
- ✓ 25,000 tonne trial mine underway at Niska.
- ✓ 60,000 tonne non-binding offtake term sheet signed with ACC.

Targeted upcoming catalysts/milestones

- CY2023 project financing and commencement of construction.
- Commercial agreements: >20 battery and automotive customers receiving Talnode®-C for large-scale EV battery qualification and procurement processes.
- Scheduled formal hearing (Q1 2023) for environmental permit for Vittangi graphite mining operation.
- Further Vittangi resource growth in late H2 2022.
- First commercial scale Talnode®-C production in CY2024.

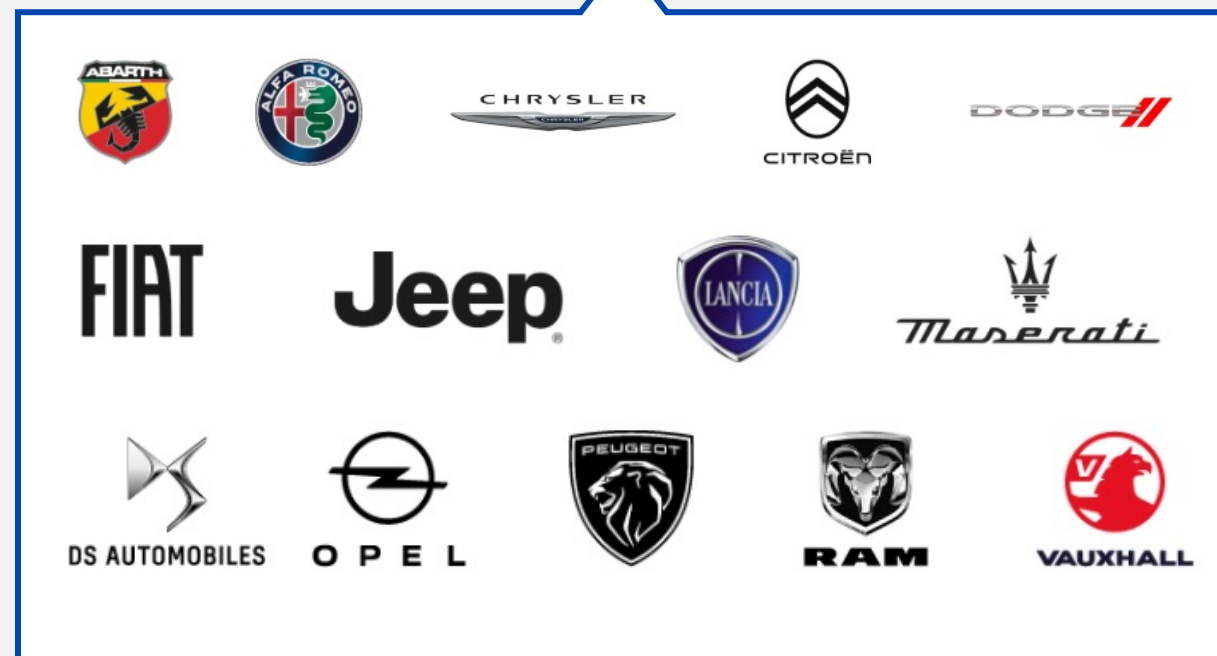
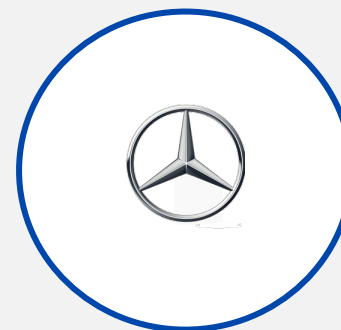
Commercial strategy: European EV manufacturers

Talga is in the final stage of a long technical qualification process with numerous EV and battery manufacturers



Securing first anode supply agreement

- ▶ Non-binding anode offtake term sheet signed with Automotive Cells Company (ACC), targeting binding agreement by 30 November 2022.
- ▶ Supply of 60,000 tonnes of Talnode®-C over initial 5-year term starting 2026 from Talga's Vittangi Anode Project in Sweden.
- ▶ Expected to include supply of ramp up volumes over 2023 – 2025.
- ▶ ACC is co-owned by Mercedes-Benz, Stellantis, and Saft (subsidiary of TotalEnergies).
- ▶ ACC is establishing its first lithium-ion battery Gigafactory in France, with further Gigafactories planned to ramp-up total production capacity to 120GWh per annum in 2030.



Project funding – European financiers

- ▶ **Swedish Export Credit Corporation (SEK)**, Letter of Interest to support financing of Vittangi Project.
- ▶ **Swiss Export Risk Insurance (SERV)**, Letter of Support to finance a portion of construction costs of Vittangi Project. Swiss content linked to **ABB**, preferred major contractor.
- ▶ **Nordic Investment Bank (NIB)**, Letter of Interest to finance construction of Vittangi Project.
- ▶ Talga is targeting securing further project funding support from other European Export Credit Agencies (ECAs).
- ▶ **Critical Mineral development and funding support:** The European Commission has established active mandates to support the development of natural graphite in Europe.

European Critical Minerals and Battery Development & Funding Initiatives



The European Commission provides funding support under the Important Projects for Common European Interest and European Battery Innovation programs.



The European Investment Bank, the world's largest multilateral development bank, is targeting to make climate related investments of >€1 Trillion by 2030.

Mine and Anode plant permitting

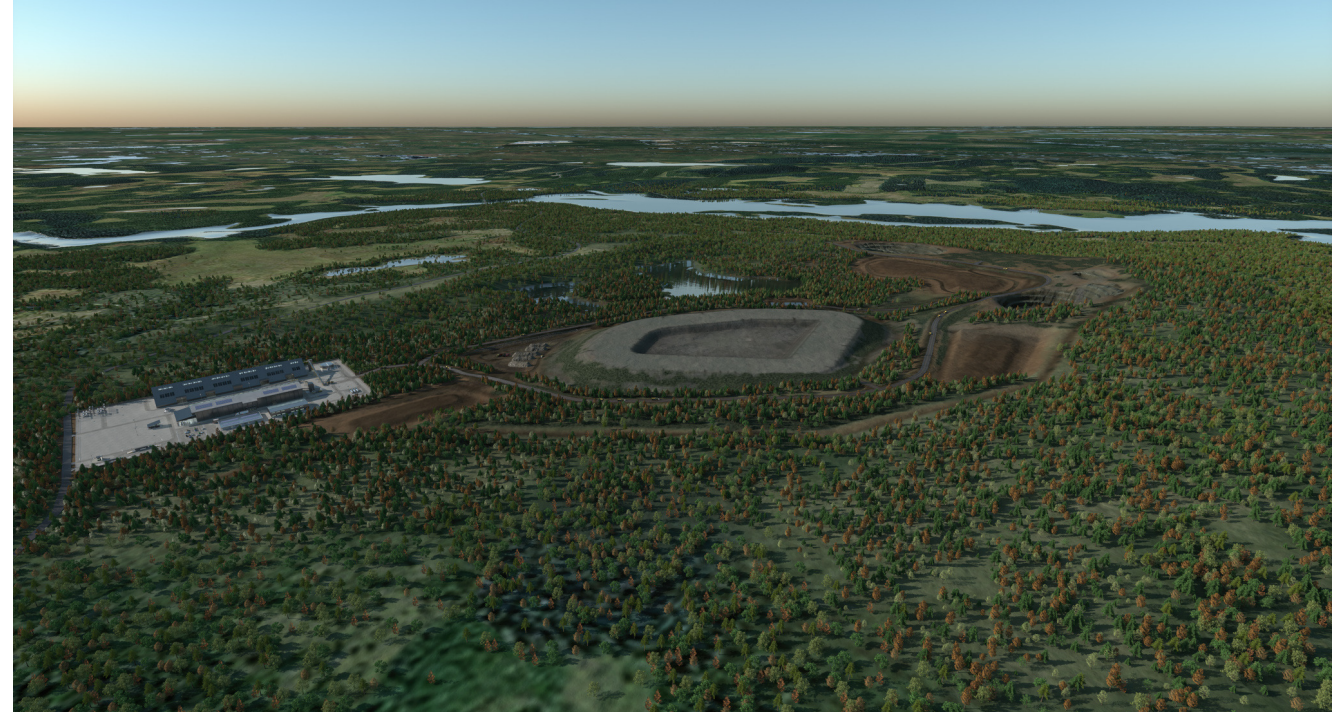
Fully permitted 2015/2016 Nunasvaara South trial mine successfully completed and rehabilitated.

Fully permitted 2021/2022 Niska South trial mine.

DFS Nunasvaara South commercial mine permits progressing for 19,500tpa anode production. Environmental permit Court hearing planned for Q1 2023.

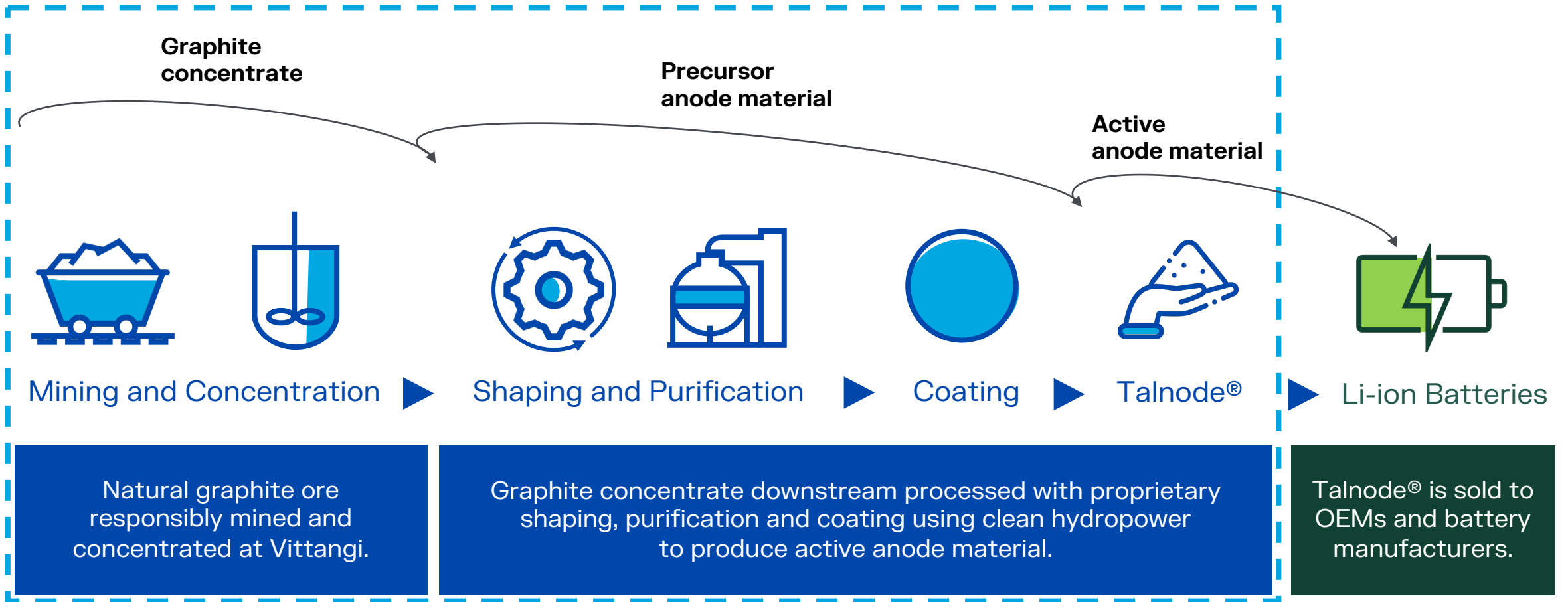
Niska expansion mining concession applications for additional 85,000tpa anode production submitted in August 2021.

Environmental permit for Luleå anode production site progressing.



Integrated and 100% controlled anode operation

For personal use only



2022 Trial Mining - Vittangi Graphite Project

For personal use only



Electric Vehicle Anode Plant (EVA), Luleå, Sweden

For personal use only



Images

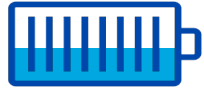
Left: *EVA main processing hall.*

Top Right: *Talga staff operating coating stage.*

Bottom right: *Integrated EVA battery lab and quality control.*

Talnode[®]-C attractive performance characteristics

For personal use only



Energy Density

High energy density for increased range or lighter weight



Faster Charging

Fast charge rate and higher regen-braking energy recovery



Lower Cell Resistance

High conductivity decreases thermal build up, improves safety



Cold Performance

Outstanding capacity retention in cold temperatures



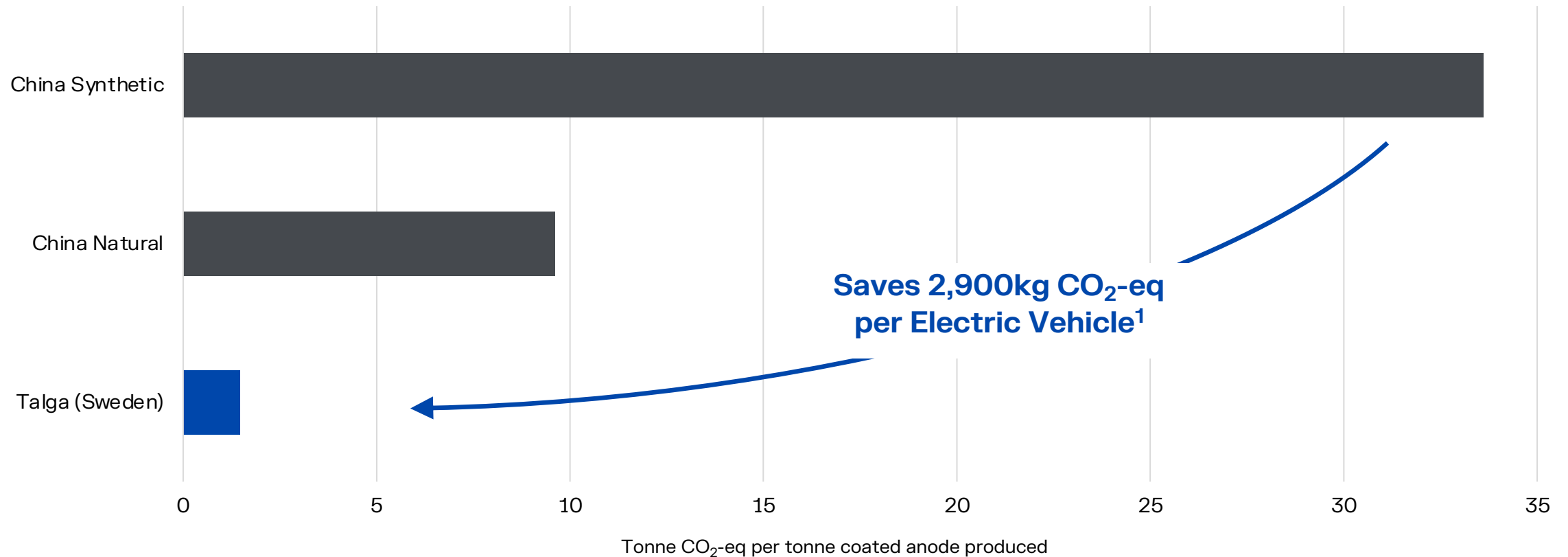
Quality ESG commitment

- ▶ 1st resource company committed to EU Principles for Sustainable Raw Materials.
- ▶ High standard of corporate governance with established framework.
- ▶ Social and Environmental Management Systems and Policies in place accords to Equator Principles.
- ▶ Sustainability and People report published annually. Environmental studies and stakeholder consultations completed with diligence and care. 11 years of operating experience in Sweden.
- ▶ Committed to positively contribute to development of communities and minimise adverse impact on the environment.



Delivering green battery anode

Talnode®-C cradle-to-gate LCA accords to ISO 14040-14044 and German Association of Auto Industry



Source: Talga – Life Cycle Assessment by Hitachi ABB Power Grids (ASX:TLG 12 Aug 2021); China Natural – Engels et al, 2022, “Life cycle assessment of natural graphite production for lithium-ion battery anodes”; China Synthetic (ASX:TLG 15 Dec 2020, Investor Presentation, Source: Recruit Report). (1) 76kWh battery.

Path to >100,000tpa anode production

Niska adds to Vittangi to make Talga one of the largest anode producers outside China

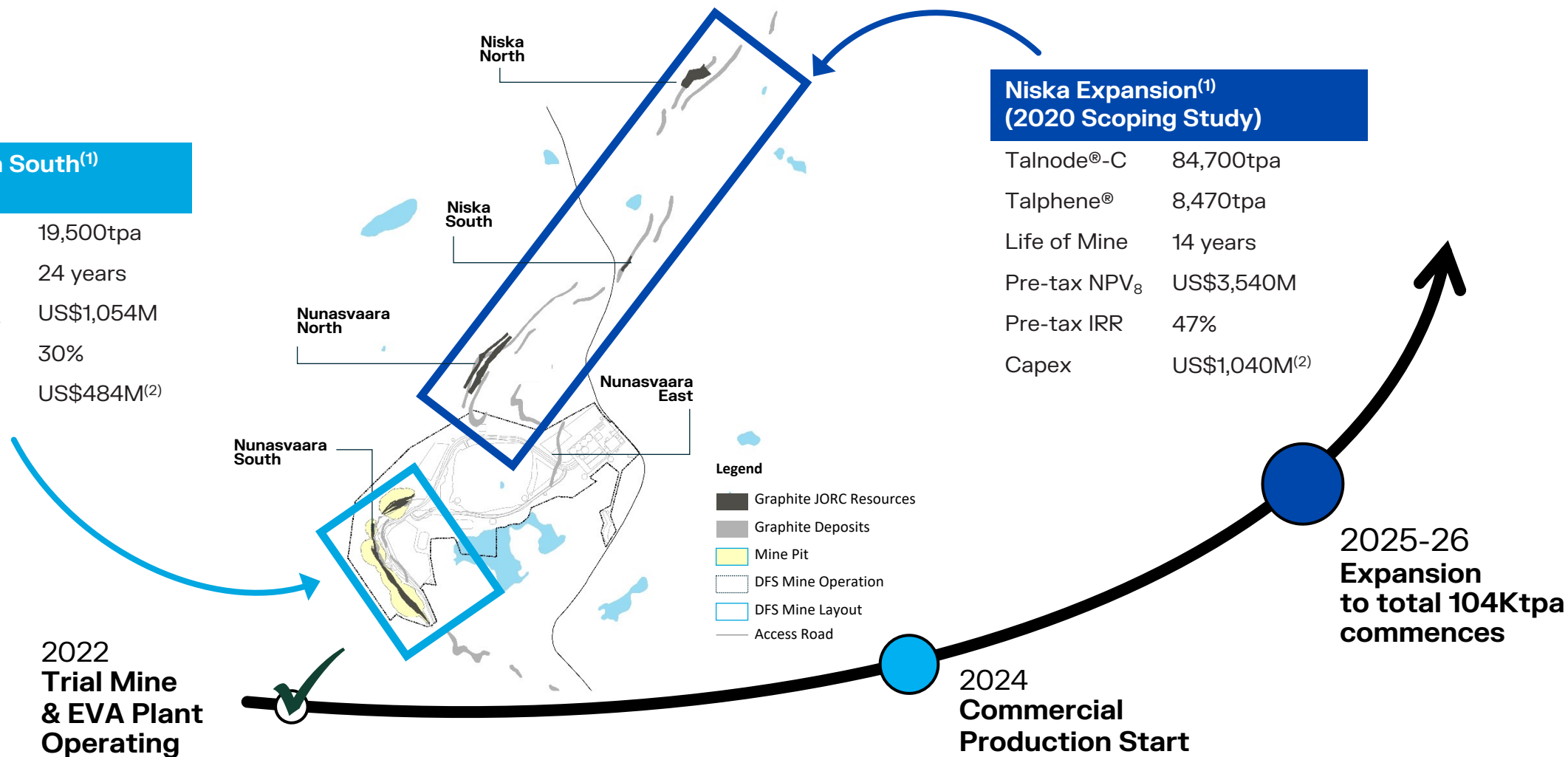
For personal use only

Nunasvaara South⁽¹⁾ (2021 DFS)

Talnode®-C	19,500tpa
Life of Mine	24 years
Pre-tax NPV ₈	US\$1,054M
Pre-tax IRR	30%
Capex	US\$484M ⁽²⁾

Niska Expansion⁽¹⁾ (2020 Scoping Study)

Talnode®-C	84,700tpa
Talphen®	8,470tpa
Life of Mine	14 years
Pre-tax NPV ₈	US\$3,540M
Pre-tax IRR	47%
Capex	US\$1,040M ⁽²⁾



Graphite is critical to European battery value chain

Graphite Mineral Resources classified to JORC or NI43-101 standards

Company	Project	Mineral Resource	Contained Graphite (Million tonnes)	Battery Capacity equivalence ²
1 Talga	Vittangi	30.1Mt @ 24.1%Cg	7.2	4,625 GWh
2 Talga	Jalkunen	31.5Mt @ 14.9%Cg	4.7	3,055 GWh
3 Oy Fennoscandian Resources	Aitolampi	26.7Mt @ 4.8%Cg	1.3	
4 Leading Edge	Woxna	13.3Mt @ 7.6%Cg	1.0	
5 Mineral Commodities	Traelen	1.8Mt @ 23.6%Cg	0.4	
6 Talga	Raitajärvi	4.3Mt @ 7.1%Cg	0.3	195 GWh
				7,875 GWh equivalence

Talga continues expanding its graphite Mineral Resources and has defined a JORC Exploration Target of **170 - 200 million tonnes at 20 - 30% graphite**¹ at Vittangi that awaits more drilling.

Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Significant resource growth potential

Significant upside with ability to strategically support European battery supply chain for decades

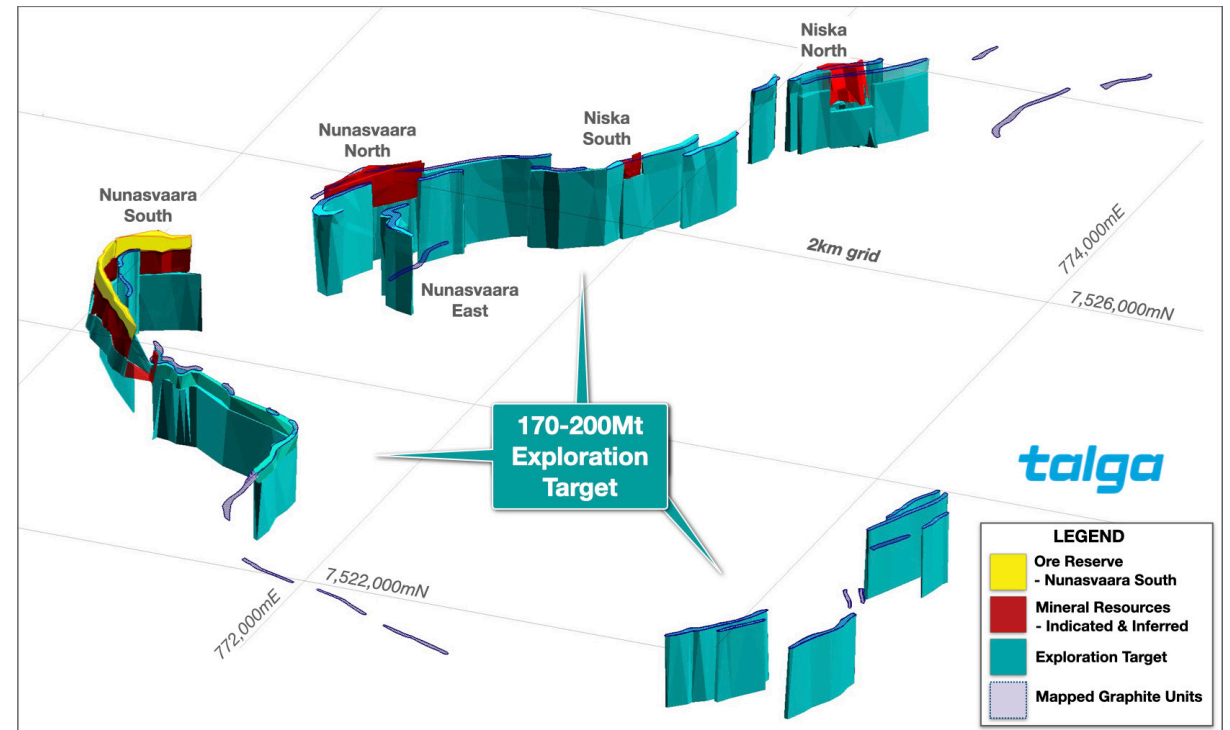
2021 Vittangi drilling returns world-class grades (e.g. 90m @ 30.8% Cg) with subsequent mineral resource update boosting Vittangi Graphite Mineral Resource by **54%** to **30.1Mt at 24.1% Cg**.

Resources remain open along strike and depth.

Only fraction (10-20%) of Exploration Target has been drill tested to date.

New 30-hole diamond drillhole program completed in May 2022 for **further resource update expected late H2 2022.**

Exploration Target will be re-calculated in H2 2022 to reflect conversion of portion into Mineral Resources and latest drilling.



Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Innovations in battery materials

Market focused development of next generation battery and advanced materials for future commercialisation

- ✓ Mass-producible Talnode[®]-Si **silicon anode** scaling up in Germany.
- ✓ **Conductive additive** for cathode markets.
- ✓ Development of **solid state** Talnode[®]-E battery anode technology.
- ✓ Talphene[®] **graphene** products across numerous commercial customer programs and in co-funded research projects.



Partnerships for a greener future

Working with respected battery customers and development partners under public partnerships and non-disclosure, including global automotive OEMs and majority of European battery producers



talga

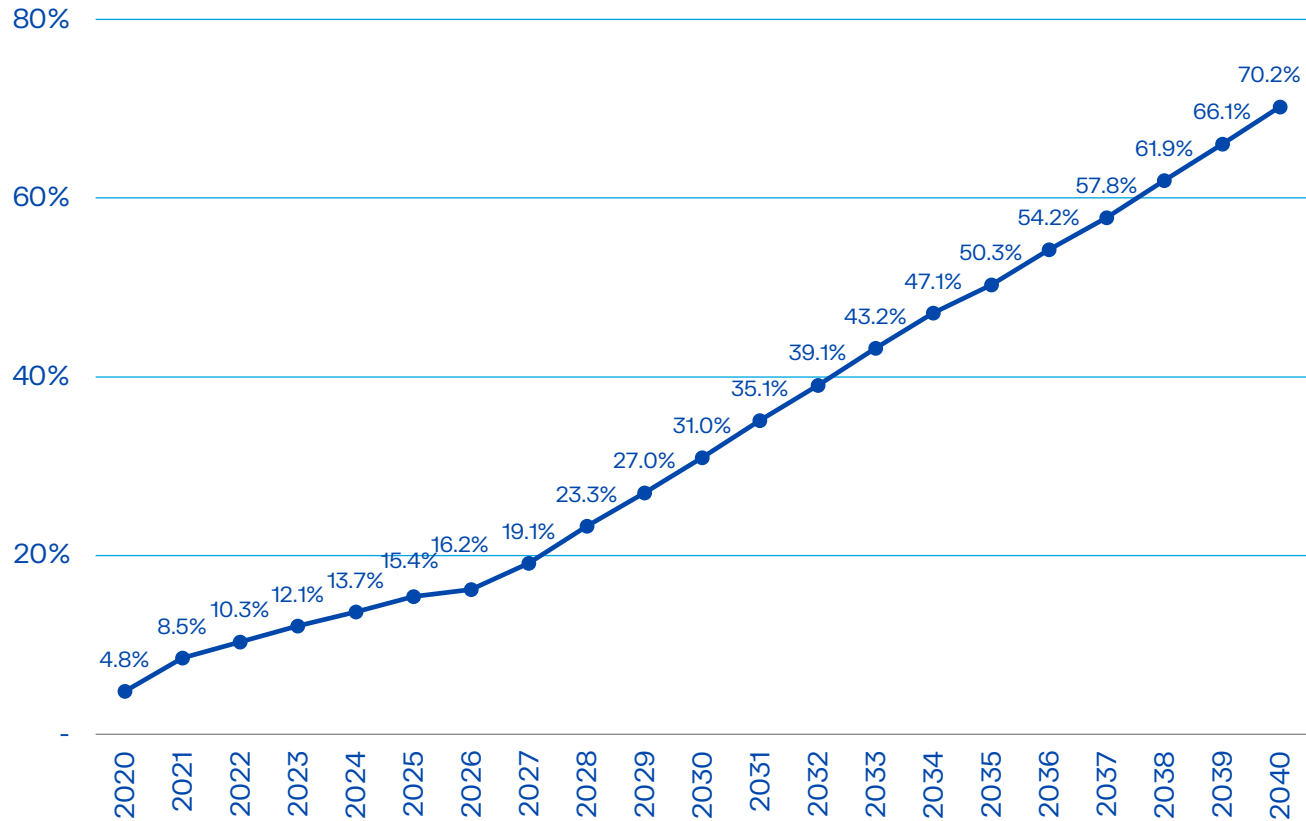
For personal use only

Industry Overview



Rapidly rising EV and HEV penetration rates

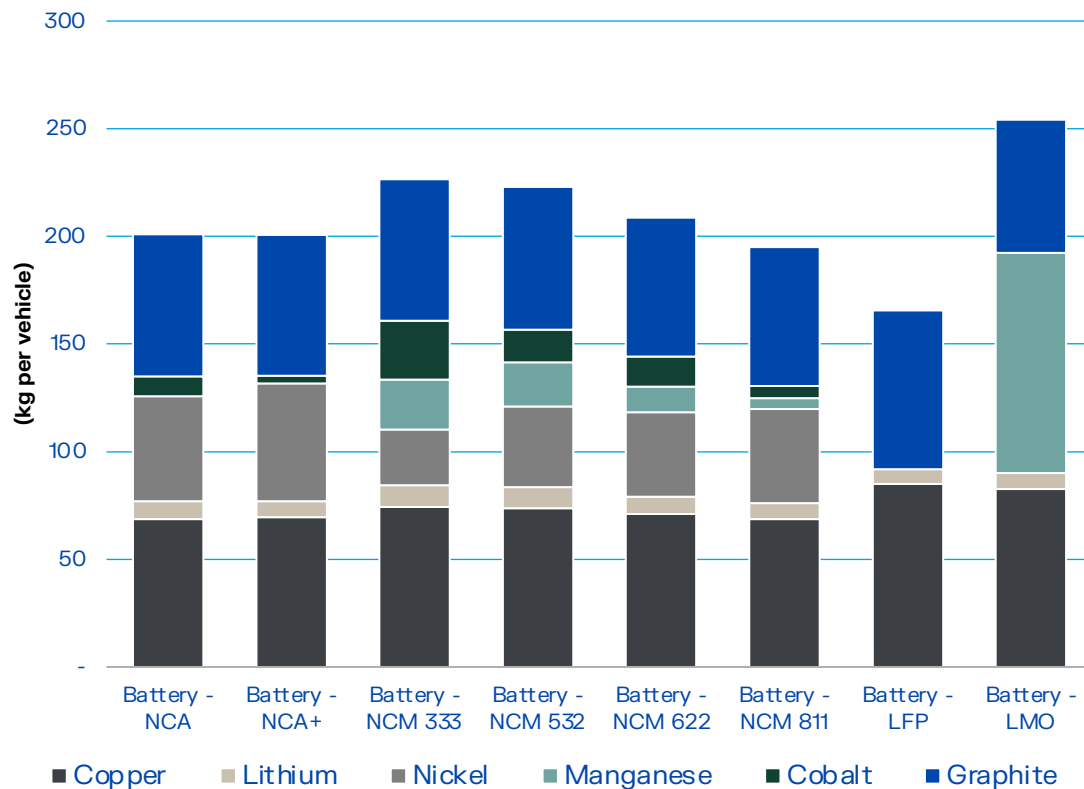
Forecast: EVs as a percent of total passenger vehicle sales



Graphite supply chain is entirely reliant on China, akin to Rare Earths

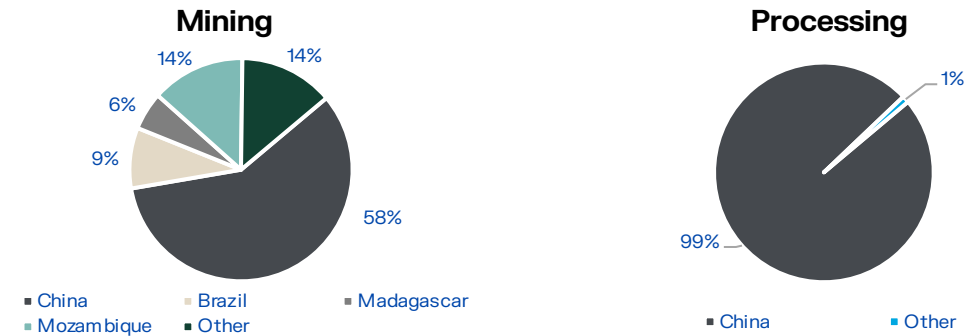
For personal use only

Typical use of minerals in battery electric vehicles



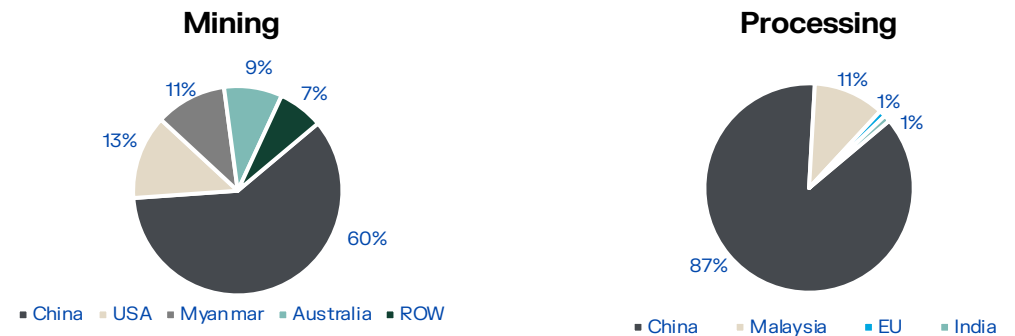
Source: IEA, The Role of Critical Minerals in Clean Energy Transitions, Mar 2022

Natural Graphite Supply Chains



Source: Wood Mackenzie, The implausibility of accelerated decarbonisation pathways, 16 February 2022

Rare Earth Oxide Supply Chains

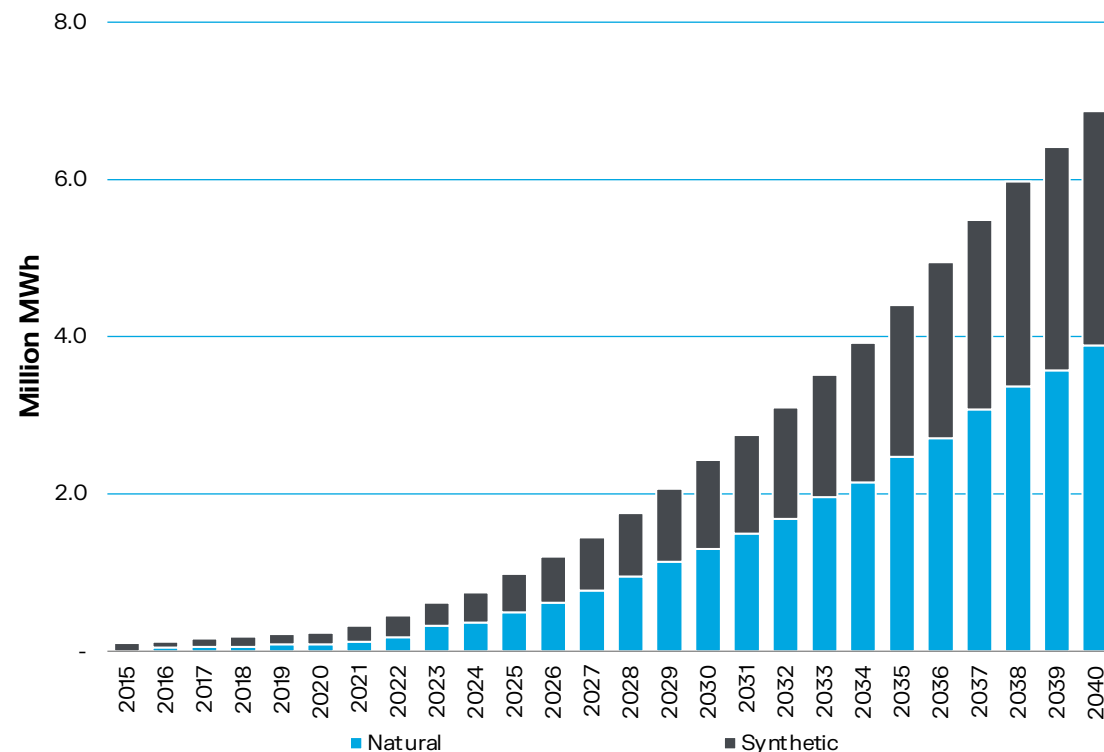


Source: European Raw Materials Alliance, Rare Earth Magnets and Motors: A European Call for Action. Sep 2021

Driving immense new graphite anode demand

Disruption of traditional (industrial) graphite markets and supply chains

Forecast: Battery anode demand



Rising energy and input costs (needle coke, coal) for manufacture of synthetic graphite anode is expected to be a further fundamental catalyst for natural graphite anode demand¹.

- Almost all existing and new battery manufacturing capacity uses graphite anodes.
- **Natural graphite anode increasing market share due to favourable environmental footprint, lower cost profile and fast charge capability.**
- Silicon is expected to be an additive to graphite for enhancement while not replacing graphite anodes.



Talga Group Ltd

ASX Code: TLG

Group Head Office:

Suite 3.03, Level 3
46 Colin Street,
West Perth, Australia

Phone Number:

+61 8 9481 6667

Email Address:

info@talgagroup.com

Website:

www.talgagroup.com

Appendix A

Board and Management Team

Supplementary Project Details

JORC Graphite Reserve and Resources

JORC Exploration Target

Experienced Board and Management Team

Strong technological and operational leadership with on the ground European presence

For personal use only

Board of Directors



Terry Stinson

Non-Executive Chairman

Over 35 years' Executive and Non-Executive Director experience, working for global innovation companies. Formerly the CEO and Managing Director of Orbital Corporation, VP for Global Fuel Systems at Siemens AG and CEO of Synerject. Currently the Non-Executive Chairman of Carnegie Clean Energy Limited and Non-Executive Director of Aurora Labs.



Mark Thompson

Managing Director & Founder

Over 30 years' global experience in the mineral industry including resource project development, technology and management. Founded Talga in 2009 and listed the company on the Australia Securities Exchange in mid 2010. A member of the Australian Institute of Geoscientists and the Society of Economic Geologists.



Grant Mooney

Non-Executive Director

Strong corporate advisory background with extensive experience in equity capital markets, corporate governance and M&A transactions. A member of the Institute of Chartered Accountants in Australia. Currently a Non-Executive Director of several ASX listed companies.



Steve Lowe

Non-Executive Director

Strong business management and taxation background with more than 20 years' experience consulting to corporate and high wealth clients. A Fellow of the Taxation Institute of Australia and a member of the Australian Institute of Company Directors. Currently a Non-Executive Director of Coziron Resources Ltd.



Ola Rinnan

Non-Executive Director

Extensive commercialisation and leadership experience across the energy, banking and finance sectors. Has held numerous board positions for European listed companies and financial institutions including Non-Executive Directorships in Smedvig group companies and DFCU Bank.

Key Management Personnel and Technical Leadership



Per-Erik Lindvall

Talga AB Chairman

A well-known business leader in northern Sweden with a long standing background in the Swedish mining industry including as former Vice President of LKAB. Per-Erik also holds several board assignments and has for many years been a driving force in creating a new, sustainable industrial cluster in northern Sweden.



Melissa Roberts

Chief Financial Officer

Over 20 years' experience in the global resources industry across corporate and commercial roles, most recently with global mineral producer Iluka Resources. Melissa joined Iluka in 2009 and held a range of senior roles within the business in Commercial, Investor Relations, Business Development and Information Technology.



Martin Phillips

Chief Operating Officer & European CEO

Experienced commercial and project manager with over 25 years of global metals and mining sector experience. Previous positions include engineering and management roles in battery recycling programs and smelting innovations at MIM's Mt Isa and UK operations. Mr Phillips was former Commercial Manager of Iluka Resources Ltd.



Dean Scarparolo

Company Secretary

A wealth of experience in developing and managing finance departments of ASX listed resource companies. A member of CPA Australia with over 25 years in roles spanning exploration, development and operations across Australia, Africa and Europe.

Vittangi DFS & Niska Scoping Study Key Outcomes

Parameter	Units	Vittangi	Niska
Annual ore mining rate	tonnes	100,000	400,000
Average annual production of Talnode®-C	tonnes	19,500	84,700
Average annual production of Talphene®	tonnes	-	8,470
Life of Mine (LOM)	years	24	14
Pre-tax NPV ₈ (real)	\$M	\$1,054	\$3,540¹
Pre-tax IRR	%	30%	47%
Capex	\$M	\$484²	\$1,246
Payback	years	2.5	1.7
Talnode®-C price	\$/t product	\$11,875³	\$9,375⁴
Talphene® price	\$/t product	-	\$15,000
Revenue (LOM)	\$M	\$5,352	\$11,700
Cash cost of production of Talnode®-C	\$/t product	\$2,363	\$2,380
EBITDA (LOM)	\$M	\$4,081	\$8,850

Note: Estimated Key Economic Outcomes all in USD. Talnode®-C Price based on Benchmark Assessment Report. Talga confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per listing rule 5.19.2 (1) Pre-tax NPV₈ is base case (range of \$2,430M to \$4,650M); (2) excluding 9.1% contingency and owners' costs; (3) The calculated average weighted input price over the 24 years of LOM is US\$12,312/t anode and is forecast as a flat price of US\$11,875/t anode from 2030. (4) Price is base case price (range \$7,500 to 11,250/t).

JORC Graphite Reserve and Resources

Ore Reserve	Tonnes	Graphite (% Cg)
Nunasvaara (JORC 2012)	2,260,140	24.1
Probable	2,260,140	24.1
Mineral Resources	Tonnes	Graphite (% Cg)
Vittangi (JORC 2012)	30,100,000	24.1
Indicated	22,600,000	24.9
Inferred	7,500,000	21.8
Jalkunen (JORC 2012)	31,500,000	14.9
Inferred	31,500,000	14.9
Raitajärvi (JORC 2004)	4,300,000	7.1
Indicated	3,400,000	7.3
Inferred	900,000	6.4
Total Mineral Resources	65,900,000	18.6

Note:

1. Mineral resources are inclusive of ore reserves.
2. Mineral Resources are reported at various cut off grades: Vittangi 10% Cg, Jalkunen 5% Cg and Raitajärvi 5% Cg.
3. Ore Reserve is reported at a cut off grade of 12% Cg.
4. Errors may exist due to rounding.

JORC Exploration Target

2021 Exploration Target Vittangi Graphite Project		
Vittangi (JORC 2012)	Low	High
Tonnage Range	170Mt	200Mt
Grade Range	20% Cg	30% Cg

Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Talga completed new ground electromagnetic geophysical ("EM") surveys of graphite targets at Vittangi following the 2020 upgrade of the Vittangi graphite resource. The EM survey results have been reviewed in combination with prior Talga geochemical samples collected from the surface within the conductors, which averaged 26.2% graphite ("Cg") (ASX:TLG 15 Nov 2012). Modelling of this data in conjunction with positive outcomes of the Niska underground mining scoping study have enabled a revised JORC-compliant Exploration Target estimate totalling 170-200Mt at 20-30% Cg at Vittangi (ASX:TLG 20 Jul 2021). This is a significant increase from the previous 26-46Mt at 20-30% Cg (ASX:TLG 17 Sep 2020). The majority of this estimate is proximal along strike and down dip from Talga's existing Vittangi JORC (2012) graphite resources of 30.1Mt @ 24.1% Cg. Additional targets are located along the mapped graphite units around the greater Nunasvaara Dome area.

New rounds of diamond core drilling commenced at Vittangi in mid-2021. The staged 69 hole diamond drilling program totalling ~8,000m tested parts of the JORC Exploration Target as down-dip extensions of the current JORC Resources as well as shallow subcrop targets between Nunasvaara North and Niska South. Reviews of JORC Exploration Targets will be undertaken where significant changes are indicated by continued exploration.

See Talga's ASX announcement dated 20 July 2021 for further information.

For personal use only

Competent Person Statements

The Vittangi Mineral Resource estimate was first reported in the Company's announcement dated 27 May 2022 titled 'Talga's battery anode growth ambitions boosted with 54% graphite resource increase'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement and that all material assumptions and technical parameters underpinning the Resource estimate in the previous market announcement continue to apply and have not materially changed.

The Nunasvaara Ore Reserve statement was first reported in the Company's announcement dated 1 July 2021 titled 'Robus Vittangi Anode Project DFS'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement and that all material assumptions and technical parameters underpinning the Reserve estimate in the previous market announcement continue to apply and have not materially changed.

The Jalkunen Mineral Resource estimate was first reported in the Company's announcement dated 27 August 2015 titled 'Talga Trebles Total Graphite Resource to Global Scale'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement and that all material assumptions and technical parameters underpinning the Resource estimate in the previous market announcement continue to apply and have not materially changed.

The Raitajärvi Mineral Resource estimate was first reported in the Company's announcement dated 26 August 2013 titled '500% Increase to 307,300 Tonnes Contained Graphite in New Resource Upgrade for Talga's Swedish Project'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement and that all material assumptions and technical parameters underpinning the Resource estimate in the previous market announcement continue to apply and have not materially changed.

The Company first reported the production targets and forecast financial information referred to in this announcement in accordance with Listing Rules 5.16 and 5.17 in its announcements titled 'Robust Vittangi Anode Project DFS' dated 1 July 2021 and 'Positive Niska Scoping Study Outlines Pathway to Globally Significant Battery Anode Production' dated 7 December 2020. The Company confirms that all material assumptions underpinning those production targets and forecast financial information derived from those production targets continue to apply and have not materially changed.

The information in this presentation that relates to the exploration results and exploration target is based on information compiled by Albert Thamm and was first released on ASX on 20 July 2021. Mr Thamm is a consultant to the Company and a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.203217). Mr Thamm has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Thamm consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears. Mr Thamm does not hold securities (directly or indirectly) in the Company.

European Natural Graphite Peer Comparison

Company	Project	Study	Resource	Tonnage	Grade	Contained Tonnage	Information Source																																																								
Talga	Vittangi	DFS	Indicated	22,600,000	24.9	7,249,000	Company Announcement, 27 May 2022 https://talgagroup.eu-central-1.linodeobjects.com/app/uploads/2022/05/27124246/20220527VittangiResourceUpgrade_ASX.pdf																																																								
			Inferred	7,500,000	21.8			Talga	Jalkunen	-	Indicated	-	-	4,693,500	Company Announcement, 27 August 2015 https://talgagroup.eu-central-1.linodeobjects.com/app/uploads/imports/asx-announcements/357c05f9-817b-416f-b7a9-299eb85d5dd3/TalgaTreblesGraphiteResourceToGlobalScale.pdf	Inferred	31,500,000	14.9%	Beowulf	Aitolampi	-	Indicated	11,000,000	4.9%	1,275,000	Company Announcement, 30 October 2019 https://polaris.brighterir.com/public/beowulf_mining_plc/news/rns/story/w1o096r	Inferred	15,700,000	4.7%	Leading Edge	Woxna	Producer	Indicated	9,810,000	7.5%	1,020,000	Company Announcement, 9 June 2021 https://leadingedgematerials.com/leading-edge-materials-announces-positive-preliminary-economic-assessment-results-for-its-woxna-graphite-anode-project-with-us317m-pre-tax-npv-and-42-9-pre-tax-irr/	Inferred	2,510,000	8.1%	Measured	960,000	9.21%	Mineral Commodities	Traelen	Producer	Measured	67,000	30.2%	434,000	Company Announcement, 16 November 2021 https://www.mineralcommodities.com/wp-content/uploads/2021/11/Traelen-Maiden-Ore-Reserve.pdf	Indicated	719,000	25.2%	Inferred	1,058,000	22.0%	Talga	Raitajärvi	-	Indicated	3,400,000	7.3%
Talga	Jalkunen	-	Indicated	-	-	4,693,500	Company Announcement, 27 August 2015 https://talgagroup.eu-central-1.linodeobjects.com/app/uploads/imports/asx-announcements/357c05f9-817b-416f-b7a9-299eb85d5dd3/TalgaTreblesGraphiteResourceToGlobalScale.pdf																																																								
			Inferred	31,500,000	14.9%			Beowulf	Aitolampi	-	Indicated	11,000,000	4.9%	1,275,000	Company Announcement, 30 October 2019 https://polaris.brighterir.com/public/beowulf_mining_plc/news/rns/story/w1o096r	Inferred	15,700,000	4.7%	Leading Edge	Woxna	Producer	Indicated	9,810,000	7.5%	1,020,000	Company Announcement, 9 June 2021 https://leadingedgematerials.com/leading-edge-materials-announces-positive-preliminary-economic-assessment-results-for-its-woxna-graphite-anode-project-with-us317m-pre-tax-npv-and-42-9-pre-tax-irr/	Inferred	2,510,000	8.1%				Measured	960,000	9.21%			Mineral Commodities	Traelen	Producer	Measured	67,000	30.2%				434,000	Company Announcement, 16 November 2021 https://www.mineralcommodities.com/wp-content/uploads/2021/11/Traelen-Maiden-Ore-Reserve.pdf	Indicated			719,000	25.2%	Inferred	1,058,000	22.0%	Talga	Raitajärvi	-	Indicated	3,400,000	7.3%	307,300
Beowulf	Aitolampi	-	Indicated	11,000,000	4.9%	1,275,000	Company Announcement, 30 October 2019 https://polaris.brighterir.com/public/beowulf_mining_plc/news/rns/story/w1o096r																																																								
			Inferred	15,700,000	4.7%			Leading Edge	Woxna	Producer	Indicated	9,810,000	7.5%	1,020,000	Company Announcement, 9 June 2021 https://leadingedgematerials.com/leading-edge-materials-announces-positive-preliminary-economic-assessment-results-for-its-woxna-graphite-anode-project-with-us317m-pre-tax-npv-and-42-9-pre-tax-irr/	Inferred	2,510,000	8.1%				Measured	960,000	9.21%			Mineral Commodities	Traelen	Producer	Measured	67,000	30.2%	434,000	Company Announcement, 16 November 2021 https://www.mineralcommodities.com/wp-content/uploads/2021/11/Traelen-Maiden-Ore-Reserve.pdf	Indicated	719,000	25.2%				Inferred	1,058,000	22.0%	Talga	Raitajärvi	-			Indicated	3,400,000	7.3%	307,300	Company Announcement, 26 August 2013 https://talgagroup.eu-central-1.linodeobjects.com/app/uploads/imports/asx-announcements/930169d0-25cf-407b-9738-3e56a71d7375/500IncreaseinContainedGraphiteatRaitajarviProject.pdf	Inferred	900,000	6.4%							
Leading Edge	Woxna	Producer	Indicated	9,810,000	7.5%	1,020,000	Company Announcement, 9 June 2021 https://leadingedgematerials.com/leading-edge-materials-announces-positive-preliminary-economic-assessment-results-for-its-woxna-graphite-anode-project-with-us317m-pre-tax-npv-and-42-9-pre-tax-irr/																																																								
			Inferred	2,510,000	8.1%																																																										
			Measured	960,000	9.21%																																																										
Mineral Commodities	Traelen	Producer	Measured	67,000	30.2%	434,000	Company Announcement, 16 November 2021 https://www.mineralcommodities.com/wp-content/uploads/2021/11/Traelen-Maiden-Ore-Reserve.pdf																																																								
			Indicated	719,000	25.2%																																																										
			Inferred	1,058,000	22.0%																																																										
Talga	Raitajärvi	-	Indicated	3,400,000	7.3%	307,300	Company Announcement, 26 August 2013 https://talgagroup.eu-central-1.linodeobjects.com/app/uploads/imports/asx-announcements/930169d0-25cf-407b-9738-3e56a71d7375/500IncreaseinContainedGraphiteatRaitajarviProject.pdf																																																								
			Inferred	900,000	6.4%																																																										

For personal use only

Appendix B

Risk Factors

Key Risks (1/6)

This section identifies the areas that the directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be different to the risks associated with an investment in other companies. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. Many of these risk factors are beyond the control of the Company and its directors because of the nature of the business of the Company and its stage of development. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

Operating and Budget Risks

The proposed activities, costs and use of the Company's cash resources are based on certain assumptions with respect to the method and timing of exploration, metallurgy and other technical tests, analysis and feasibility studies. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from the Company's estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

The proposed activities of the Company including economic studies are dependent on economic inputs from commodity prices, metallurgical tests, electrochemical testing and market tests of which there is no guarantee of positive economics. It is a risk that studies may not be completed or may be delayed indefinitely where key inputs show negative economic outcomes. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining and processing of its mineral interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Talga has successfully piloted its production flow sheet. It continues to conduct value improvement refinements of its flow sheet at laboratory and pilot plant level working in conjunction with key (or preferred) OEM equipment suppliers and technology providers.

Investment in the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development, including factors such as design and construction of efficient mining and processing facilities within capital expenditure budgets.

With all mining operations there can be a level of uncertainty and, therefore, risk associated with operating parameters and costs. This is also true with the scaling up of processing technology tested in pilot conditions. The nature of the technology risk is the cost of developing an economically viable commercial operation and production facility.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties, or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders.

The Company announced the completion of the DFS for its Vittangi Anode Project in northern Sweden in July 2021. If the Company agrees on any near term future offtake arrangements, fast track commercial ramp up development may occur which will require additional funding to be obtained. Whilst the Company is in advanced discussions with respect to offtake, there is no guarantee such discussions will result in binding agreements.

Whilst the Company's cash as at 30 June 2022 of \$13.0 million will provide for on-going business activities, the Company will need to seek funding options to advance the Vittangi Anode Project. With the assistance of financial and transaction advisors Morgan Stanley and BurnVoor, the Company will identify and evaluate potential outcomes which may emerge from ongoing project development partnership, customer and financing discussions with European and international parties. Management has strategies to tailor budgeted cashflows based on future funding received. However, without regular income outside interest proceeds or assets sales, it will rely on continuing access to capital markets (including the exercise of unlisted Company options) to fund further development in Sweden, Germany and the UK.

Further, the Company, in the ordinary course of its operations and developments, may be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs or enter into joint venture arrangements to reduce expenditure and this could have a material adverse effect on the Company's activities. Unfavourable market conditions may adversely affect the Company's ability to raise additional funding regardless of the Company's operating performance.

Key Risks (2/6)

Licences, Permits, Processing and Approvals Risks

The Company's current and future operations are subject to receiving and maintaining licences, permits and approvals from appropriate governmental authorities. In particular, the Company will require processing, exploitation and environmental permits in Sweden from time to time in connection with mining and processing. There is no assurance that any required licences, permits or approvals will be granted or that delays will not occur in connection with obtaining or renewing the licences, permits or approvals necessary for the Company's proposed operations.

The primary permits required to enable development of the mine are an Exploitation Concession (under the Minerals Act) and an Environmental Permit (under the Environmental Code). Applications for the Vittangi Project Exploitation Concession and Environmental Permit were submitted in May 2020. In April 2022, the Swedish land and Environment Court in Umeå announced the progression of Talga's environmental permit application and provided a preliminary timetable for next steps, including the formal hearing. The Court later provided updates to this timetable and the formal hearing is now planned for a date in Q1 2023 however, there is no assurance that the application will be granted or that delays will not occur.

Delays in the permitting and approvals process are an inherent risk to all mining and industrial manufacturing projects. Sweden has an established mining industry with a structured permitting process. The Company is scheduled to complete the extraction of the permitted 25,000 tonne graphite ore from its trial mine at the Niska South deposit (Vittangi graphite project) in October 2022. Whilst the track record speaks to past and current successful permitting approvals, potential delays in commercial scale mining and processing permits could impact planned and/or expanded production schedules and delay customer contracts.

In the event that delays are incurred in obtaining a mining permit, the Company intends to utilise the ore extracted from the trial mine. If delays occur to refinery permitting, the Company will consider alternate strategies to progress the business, which may include moving the refinery operations to another jurisdiction.

Failure to obtain or renew one or more required licences, permits or approvals on a timely basis may adversely affect the Company's operations.

Intellectual Property Risks

The success of the Company's graphite processing business depends, in part, on its continued ability to protect its intellectual property (IP) including trademarks to increase brand awareness, its trade secrets and patents on its products and production processes. The Company has 13 active patent families encompassing 42 active cases (2 granted patents and 40 pending/under examination) that relate to processing graphite for Li-ion batteries as well as graphene products.

Given the dependence of the Company on intellectual property and the quality of its products and brands, and whilst the Company has IP management systems and processes in place, in the event that the Company is unable to protect its intellectual property adequately, then the value of the Company's products and brands could be adversely affected. This may further impact the over adequately, then the value of Company's products and brands could be adversely affected. This may further impact over all business, with respect to its financial position and overall profitability and operational output.

Within the industry that the graphite processing business operates, there exists an ongoing risk of third parties claiming involvement in technological discoveries. The Company has taken steps to protect and confirm its interest in its intellectual property and will endeavour to implement all reasonable processes to protect its intellectual property. The Company is not aware of any third-party interests in relation to its intellectual property rights, however as stated above, the risk of third parties claiming involvement exists, which may result in litigation risks (see 'litigation and infringement risk' below), and there can be no assurance that the measures in place by the Company will be sufficient.

Mineral and Exploration Risk

The business of exploration, project development and mining contain risks by its very nature. To prosper, it depends on the successful exploration and/or acquisition of reserves, design and construction of efficient production/processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavour and certain circumstances, cost over runs and other unforeseen events can hamper exploration and mining operations.

Mining of the Vittangi deposits is currently proposed to be via conventional drill and blast (open-cut for Nunasvaara South and underground operation for Niska). The well-established mining industry in Sweden ensures good drill and blast and mining contractor capability, mobile and fixed plant supply, mining supplies and operator training and the mining project risk is considered low.

Key Risks (3/6)

Development and Commercialisation

The Company's ability to generate revenues from its multiple anode and graphene products in the future will be subject to a number of factors, including but not limited to the technologies performing to a level sufficient to warrant commercialisation. The development, testing and manufacture of novel technologies is a high risk industry and whilst the Company has confidence in the development and results to date there is no guarantee that the Company will be able to successfully commercialise the products (including in a profitable sense).

Additionally, the Company's business depends on technology and is subject to technological change. Any failure or delay in developing or adopting new technology competitively may result in a reduction in customer demand and in turn reduced financial and operation growth. The Talga Group includes R&D departments to address these technological changes and is specifically working on next generation Li-ion batteries technologies including well advanced development plans for anode silicon batteries (and to a lesser extent, solid state batteries).

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. Whilst the key management team has been well established with on-going stability, there can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or are incapacitated for any length of time.

Environmental and Social Impact Constraints

The Company's exploration, mining and processing activities will, in general, be subject to approval by governmental authorities and influence from other key stakeholders such as local communities. Development of any of the Company's properties will be dependent on the relevant project meeting environmental guidelines and, where required, being approved by governmental authorities. In addition to the Company's Environmental Policy, Talga is developing a formal Environmental and Social Management system to document the process for managing environmental and social risks. This is being implemented at Talga's first operating facility, the EVA plant in Luleå, Sweden, with the aim of achieving ESMS implementation to ISO 14001 certification standard before the end of 2022.

An Environmental and Social risk register is being prepared to identify, assess and document mitigation measures for the proposed Sweden operations.

Talga has a Social Performance Policy and Social Performance Standards which will provide the structure for cascading Talga's commitment to protect labour and human rights. The Company is well aware of its environmental obligations across its operational activities in Germany, the UK and in particular Sweden, where there are various environmental requirements to complete and apply for an exploitation permit and continues to monitor compliance.

Mineral Title Risks

Mining and exploration permits are subject to periodic renewal. There is no guarantee that current or future permits or future applications for production concessions will be approved. Permits are subject to numerous legislation conditions. The imposition of any new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Furthermore, the Company could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to mineral titles in which the Company has an interest or will in the future acquire such an interest, there may be areas over which legitimate rights of Indigenous and property owners exist. In this case, the ability of the Company to gain access to permits (through obtaining consent of any relevant Indigenous owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affect. The Company's mineral titles may also be subject to access by third parties including, but not limited to, the areas' Indigenous people and landowners. This access could potentially impact the Company's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities. The Company adopts a pro-active approach in engagement/consultation with local indigenous groups and landowners. Talga has successfully negotiated property rights with landowners covering the current Vittangi Project.

Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

The Company engages external, independent, Competent Persons to prepare public Mineral Resource and Ore Reserve reports according to and conforming to the 2012 Joint Ore Reserves Committee (JORC) Reporting Code and Chapter 5 of the ASX listing rules. These follow standard industry guidelines on public disclosure and thus the process of determining its reserves and resources.

Key Risks (4/6)

Reserve Estimates

The Reserve estimates have been carefully prepared by an appropriately qualified person in compliance with the JORC guidelines and in appropriate instances are verified by independent mining experts. Estimated valuations are dependent on market prices for the targeted ore.

Commodity Price Volatility and Exchange Rate Risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity prices and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand for minerals, technological advancements, forward selling activities and other macro-economic factors.

Unlike the majority of base and precious metals, there is no internationally recognised market for graphite battery anode material nor is graphite battery anode material an exchange traded commodity; it is determined by actual transactions between buyers and sellers. As a result, there is a lack of market transparency associated with the price of graphite battery anode material

In relation to graphene, the value of graphene is affected by numerous factors and events that are external to and beyond the control of the Company and similarly this is not an exchange traded commodity. The graphene price has fluctuated, such that periods of significant decline have impacted graphene businesses. These factors have and may in the future include: the level of general economic activity and demand; forward selling activity; and economic conditions and political trends. Whilst graphene is not currently a major focus for Talga it does not have a material effect on the Company's performance.

Furthermore foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. Prices of various commodities and services may be denominated in Swedish Krona, Euros or US dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the Australian dollar and these currencies as determined in international markets. To mitigate the Company's exposure, currency rates are monitored regularly and funds are transferred to the foreign operations when rates are more favourable. The Company also plans to curtail this impact by paying foreign currency invoices in a timely fashion.

Pandemic Risk

Supply chain disruptions resulting from the transmission of pandemics such as COVID-19 in the community and measures implemented by governments around the world to limit the transmission of the virus may adversely impact the Company's operations, financial position, prospects and ability to raise capital. Travel bans may also lead to shortages of skilled personnel. Further outbreaks of COVID-19 or other pandemics and the implementation of travel restrictions also have the potential to restrict access to sites. Whilst the COVID-19 pandemic will have short-term and long-term consequences that Talga, like other companies, must take into account, there have been no significant adverse impacts on the Company to date. The Company may also be subject to the severity of further lockdowns and relevant operators / supplier personnel not becoming infected which could result in delays.

Access to Infrastructure Risk

Mining, processing, development and exploration activities depend, to a significant degree, on adequate infrastructure. In the course of developing future mines, the Company may need to construct and/or update existing infrastructure, which includes permanent water supplies, dewatering, tailings storage facilities, power, maintenance facilities and logistics services and access roads. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Company's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Company's sites could materially adversely affect the Company's results of operations or financial condition. Furthermore, any failure or unavailability of the Company's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could materially adversely affect its exploration activities or development of a mine or project.

Key Risks (5/6)

Climate Change Risk

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.

Whilst all these risks associated with climate change may significantly change the industry in which the Company operates, as announced on the ASX on 12 August 2022, the Life Cycle assessment of Talga's flagship lithium-ion battery anode product, Talnode®-C, emits 96% less CO₂-equivalent than incumbent electric vehicle battery anode materials (largely due to the use of 100% renewable power).

The Company has identified air emissions and greenhouse gases in the environmental impact assessment (EIA) process for the proposed mine. Mitigation measures have been identified for reducing dust and greenhouse gas emissions. Further EIA process for the refinery which includes best available technology air emission treatment technologies, was completed mid-2022.

Occupational Health and Safety Risk

Mining and exploration activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. A serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results. It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation or directions or necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company. The Company has a Safety Policy and Safety Management Plan that applies to all of Talga's European Operations. Site specific procedures and processes are developed on a site by site basis.

Third Party Risk

The Company will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. This may include entering into joint venture arrangements for the development of the Vittangi Project. The Company will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under any offer.

Securities Investments and Share Market Conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the Company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Key Risks (6/6)

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including fires, labour unrest, civil disorder, war, subversive activities or sabotage, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions. See above for discussion on the impact of COVID-19 on the Company.

Economic Risk

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

Other than as previously announced the Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

Litigation and Infringement Risk

The Company may be exposed to legal proceedings, with or without merit over the course of its operations. The Company cannot preclude the risk of claims being brought against it, such as in connection with: intellectual property rights; tenure disputes; environmental claims; royalty disputes; other contractual disputes; occupational health and safety claims; and employee claim claims. Any such claim or dispute if proven may impact adversely on the Company's operations, financial performance and financial position. In the event that the Company and/or its employees or agents are found to have not met the appropriate standard of care then this may have a material adverse effect on the Company overall. The Company is not currently engaged in any material litigation.

Technology Risks

Sensitive data relating to the Company, its employees, associates, customers, suppliers or the development of the Company's innovative product range may be exposed resulting in a negative impact on the Company's reputation or competitive advantage. Policies, procedures and practices are in place to ensure security of this data. The Company and its subsidiaries recognise the importance of data privacy, and comply with relevant data privacy regulations, including the EU General Data Protection Regulation, to safeguard the security and privacy of data.

Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its Shares. The Shares to be issued pursuant to any offer carry no guarantee with respect to the pay payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that any investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to any offer.

Placement Completion Risk

The Company has entered into a placement agreement with the Joint Lead Managers who have agreed to act on an exclusive basis as joint bookrunners and joint lead managers for, and to provide settlement support for the Placement, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the Joint Lead Manager may terminate the Placement Agreement. There is a risk that the Placement Agreement may terminate before the Placement has settled. If the Placement Agreement is terminated and the Placement does not proceed or does not raise the funds required for the Company to meet its stated objectives, the Company would be required to find alternative financing to meet its objectives. In those circumstances, there is no guarantee that alternative funding could be sourced in the quantum and at the price sought.

The termination events are summarised in Appendix D of this investor presentation

Appendix C

Foreign Selling Restrictions

International Offer Restrictions (1/2)

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

International Offer Restrictions (2/2)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Appendix D

Key Terms Of Placement Agreement

Key Terms of the Placement Agreement (1/2)

1.1 Conditions

Morgan Stanley Australia Securities Limited (ABN 55 078 652 276) and Euroz Hartleys Limited (ABN 33 104 195 057) (**Joint Lead Managers**) are acting as joint lead managers and bookrunners of the Placement. Talga has entered into a placement agreement with the Joint Lead Managers in respect of the Placement (**Placement Agreement**). The Placement Agreement contains representations, warranties, releases and indemnities in favour of the Joint Lead Managers and their associates. The Joint Lead Managers obligations under the Placement Agreement are conditional on certain customary matters. The conditions are either customary for a placement agreement of this kind or have otherwise been satisfied prior to or at the launch of the Placement.

1.2 Unqualified termination events

The Joint Lead Managers may terminate their obligations under the Placement Agreement if any of the following occur before 4.00pm (Sydney time) on the Placement settlement date:

- a statement in any of the documents issued in connection with the Placement (including ASX announcements, this Presentation and the cleansing notice) (together, **ASX Materials**) is or becomes false or misleading or deceptive or likely to mislead or deceive or omits any information required under the Corporations Act and any other applicable requirements or otherwise defective;
- any expression of opinion or intention in the ASX Materials is not (or ceases to be) fairly and properly supportable there are no (or there ceases to be) reasonable grounds for the making of any statement relating to future matters;
- a certificate required to be furnished by Talga is not furnished when required;
- the Company withdraws the Placement or the SPP;
- any member of the Talga group is or becomes insolvent or there is an act or omission made which may result in a member of the Talga group becoming insolvent;
- an event specified in the agreed timetable is delayed by 1 or more business day without the Joint Lead Managers' consent or Talga is otherwise unable to issue the Placement or SPP shares on the allotment date;
- Talga alters its capital structure (other than as contemplated in the Placement Agreement) or constituent documents;
- a change in the chief executive officer, chief financial officer, senior management or the board of Talga occurs;
- a Government authority withdraws, revokes or amends in an adverse manner any regulatory approvals required for Talga to perform its obligations under the Placement Agreement or to carry out the Placement or the SPP;
- certain regulatory actions are taken by ASIC in respect of the Placement, the SPP or the ASX Materials;
- ASX announces that Talga will be delisted; Talga's shares are suspended from quotation; or ASX indicates that the Placement shares or SPP shares will not be granted quotation or approval to quotation is not granted;
- any of the following occurs: Talga or any director or officer of Talga engages or has engaged in any fraudulent, misleading or deceptive conduct or activity; a director or officer of Talga is charged with an indictable offence; a director of Talga is disqualified from managing a corporation; or there is an application to a Government authority for any order, declaration or remedy in connection with the Placement or the SPP or any Government authority commences any public action against a director or officer of Talga;
- any member of the Talga group breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or an event of default or event which gives a lender or financier the right to accelerate or require repayment of a material debt or financing arrangement occurs;
- the S&P/ASX 200 Index falls to a level that is 10% or more below the level of that index as at the close of trading on the business day immediately preceding the date of the Placement Agreement;
- there is an event, occurrence or non-occurrence after the execution of the Placement Agreement which makes it illegal or commercially impossible for the Joint Lead Managers to satisfy a material obligation under the Placement Agreement, or to market, promote or settle the offer of Placement shares, or that causes the Joint Lead Managers to delay satisfying a material obligation under the Placement Agreement.

Key Terms of the Placement Agreement (2/2)

1.3 Termination events qualified by materiality

The Joint Lead Managers may terminate their obligations under the Placement Agreement if any of the following events occur, subject to the Joint Lead Managers reasonably believing that the event (a) will, or is likely to, give rise to a liability of the Joint Lead Managers under, or give rise to, or result in, the Joint Lead Managers contravening, or being considered to be involved in a contravention of, any applicable laws; or (b) has or may have a material adverse effect on the marketing, settlement, success or outcome of the Placement, or on the ability of the Joint Lead Managers to market or promote or settle the Placement, or the likely trading price of the Company's shares or the willingness of investors to subscribe for Placement shares:

- Talga breaches the Placement Agreement or any of its representations or warranties is or becomes false, not accurate or misleading;
- a contravention by any Talga group member of any applicable laws or any aspect of the Placement or the SPP does not comply with any applicable laws;
- the certificate delivered in accordance with the Placement Agreement is false, not accurate or misleading;
- there occurs a new circumstance in relation to any Talga group member that would have been required to be included in the ASX Materials if it had arisen before the ASX Materials was released;
- information supplied by Talga to the Joint Lead Managers is or becomes false, misleading or deceptive;
- any adverse change or effect occurs, or an event occurs which is likely to give rise to an adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of the Talga group from that existing on the day before entry into the Placement Agreement;
- proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction seeking an injunction or other order in relation to the Placement, the SPP or any Talga group member which, in the Joint Lead Managers' opinion, has reasonable prospects of success;
- hostilities or a major escalation in existing hostilities occurs involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member of the European Union, Sweden, Russia, Japan, Singapore, North Korea, South Korea or the People's Republic of China, a state of emergency is declared by any of those countries (other than as already declared prior to the date of the Placement Agreement) or a major escalation occurs in relation to a previously declared state of emergency by any of those countries, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;
- there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia, any country in which the Company operates, or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy, any of which does or is likely to prohibit or regulate or otherwise adversely affect the Placement, the SPP, capital issues or stock markets;
- any of the following occurs: a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, Sweden or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; trading in all securities quoted or listed on ASX, the New York Stock Exchange, the Hong Kong Stock Exchange or the London Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading (or for a substantial part of 1 trading day), or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or there is any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America, Hong Kong, Sweden or the United Kingdom or the international financial markets or any change involving a prospective adverse change in national or international political, economic or financial conditions.

1.4 Fees

The Joint Lead Managers will receive a fee for acting as bookrunner and manager to the Placement. That fee will comprise both a distribution fee and a management fee on customary terms.