



**Talga Group Ltd
ACN 138 405 419**

Notice of General Meeting

A General Meeting of the Company will be held as follows:

Time and date: 10.00am (AWST) on Monday, 15 May 2023

Location: The Park Business Centre, 45 Ventnor Ave, West Perth

The Notice of General Meeting should be read in its entirety.

If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company on +61 (0) 8 9481 6667.

Shareholders are urged to vote by lodging the Proxy Form

**Talga Group Ltd
ACN 138 405 419
(Company)**

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Talga Group Ltd (**Company**) will be held at The Park Business Centre, 45 Ventnor Ave, West Perth on Monday, 15 May 2023 at 10.00am (AWST) (**Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (AWST) on Saturday, 13 May 2023.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Resolutions

Resolution 1 – Approval of change of auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, for the purposes of section 327C(1) of the Corporations Act and for all other purposes, Ernst and Young, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company with effect from the Effective Date.'

Resolution 2 – Ratification of issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,806,452 Placement Shares, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of **Resolution 2**, by or on behalf of a person who participated in the issue of the Placement Shares, or any of their respective associates, or their nominees.

The above voting exclusion does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Dean Scarparolo
Company Secretary
Talga Group Ltd
Dated: 6 April 2023

**Talga Group Ltd
ACN 138 405 419
(Company)**

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Park Business Centre, 45 Ventnor Ave, West Perth on Monday, 15 May 2023 at 10.00am (AWST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

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| Section 2 | Voting and attendance information |
| Section 3 | Resolution 1 – Approval of change of auditor |
| Section 4 | Resolution 2 – Ratification of issue of Placement Shares |
| Schedule 1 | Definitions |

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read this Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Voting on all proposed Resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

2.3 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are encouraged to vote by completing and returning the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your proxy voting instruction must be received by 10.00am (AWST) on Saturday, 13 May 2023, being not later than 48 hours before the commencement of the Meeting.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@talgroup.com by 5.00pm (AWST) on Friday, 12 May 2023.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Resolution 1 – Approval of change of auditor

3.1 General

After a competitive tender process, the Board resolved to appoint Ernst and Young as the Company's auditor based on the firm's reputation, experience and recognition.

As a consequence, Stantons applied under section 329(5) of the Corporations Act for ASIC's consent to resign as auditor of the Company.

As at the date of this Notice, ASIC has not provided its consent to the resignation of Stantons as the Company's auditor. Accordingly, the appointment of Ernst and Young as auditor of the Company will become effective on the latter of the date of receipt of ASIC's consent to the resignation, the date fixed by ASIC and the date of this Meeting (subject to Shareholders approving this Resolution 1) (**Effective Date**).

Ernst and Young have not yet been paid for audit services provided to the Company.

Under section 327C(1) of the Corporations Act, the Company may in a general meeting appoint an auditor if there is a vacancy in the office of auditor of the Company.

Resolution 1 seeks the approval of Shareholders to appoint Ernst and Young as the Company's auditor with effect from the Effective Date. If Resolution 1 is approved by Shareholders, the Company will need to re-seek Shareholder approval at its upcoming 2023 annual general meeting to appoint Ernst and Young as auditor of the Company in accordance with the requirements of sections 327B(1) and 327C(2) of the Corporations Act.

Ernst and Young has given its written consent to act as the Company's auditor.

3.2 Additional information

Resolution 1 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Ratification of issue of Placement Shares

4.1 General

On 23 February 2023, the Company announced it had received firm commitments to raise approximately \$40,000,000 (before costs) under a placement (**Placement**). The Placement comprised the issue of 25,806,452 Shares (**Placement Shares**) at A\$1.55 per Placement Share. The Placement Shares were issued to a range of sophisticated, professional and institutional investors.

On 3 March 2023, the Company issued the Placement Shares using the Company's placement capacity under Listing Rule 7.1.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

4.2 Listing Rules 7.1 and 7.4

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to

issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed, 25,806,452 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, 25,806,452 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 25,806,452 Equity Securities for the 12 month period following the issue of the Placement Shares.

4.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to a range of sophisticated, professional and institutional investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager.
- (b) A total of 25,806,452 Placement Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The Placement Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 3 March 2023.
- (e) The Placement Shares were issued at A\$1.55 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to fund:
 - (i) Vittangi Anode Project early works;

- (ii) scaled up EVA production;
- (iii) silicon anode scale-up; and
- (iv) general corporate costs and working capital.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

4.4 Additional information

Resolution 2 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

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| \$ or A\$ | means Australian Dollars. |
| ASIC | means the Australian Securities and Investments Commission. |
| ASX | means the ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited. |
| AWST | means Western Standard Time, being the time in Perth, Western Australia. |
| Board | means the board of Directors. |
| Chair | means the person appointed to chair the Meeting of the Company convened by the Notice. |
| Company | means Talga Group Ltd (ACN 138 405 419). |
| Constitution | means the Constitution of the Company. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth) as amended. |
| Director | means a director of the Company. |
| Effective Date | has the meaning given in Section 3.1. |
| Equity Security | has the same meaning as in the Listing Rules. |
| Explanatory Memorandum | means the explanatory memorandum which forms part of the Notice. |
| Lead Manager | means Euroz Hartleys Limited. |
| Listing Rules | means the listing rules of ASX. |
| Material Investor | means, in relation to the Company: (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue. |
| Meeting | has the meaning given in the introductory paragraph of the Notice. |

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| Notice | means this notice of general meeting. |
| Placement | has the meaning given in Section 4.1. |
| Placement Shares | means the 25,806,452 Shares issued under the Placement without Shareholder approval, the subject of Resolution 2. |
| Proxy Form | means the proxy form attached to the Notice. |
| Resolution | means a resolution referred to in the Notice. |
| Schedule | means a schedule to the Notice. |
| Section | means a section of the Explanatory Memorandum. |
| Securities | means any Equity Securities of the Company (including Shares, Options, and/or Performance Rights). |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means the holder of a Share. |

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10:00am (AWST) on Saturday, 13 May 2023**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
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IN PERSON:

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BY EMAIL:

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