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ASX Release
12 October 2023

ASX:TLG

Aero Lithium Project Update - Sweden

Battery materials and technology company Talga Group Ltd ("**Talga**" or "**the Company**") (**ASX:TLG**) is pleased to provide an update on exploration of its 100% owned Aero Lithium Project ("Aero" or "Project"), located in northern Sweden.

Exploration Completed

Following the discovery of multiple significant lithium-bearing pegmatites at Aero hosting surface mineralisation up to **1.95%Li_2O** (ASX:TLG 29 Aug 2023), Talga has completed follow-up exploration activities through September into the current end of autumn field season in Sweden.

Fieldwork activities included mapping and outcrop sampling to define the distribution of lithium mineralisation in key sites of the main pegmatite. Using ultraviolet light ("UV") prospecting techniques (Figure 1) lithium mineralisation as spodumene was visually noted in several samples by the Company's geologists. This prospecting technique uses UV light at specific wavelengths where spodumene crystals may fluoresce (glow) a distinctive orange colour. *Note: Definitive assay and XRD analysis is required to confirm this visual interpretation of mineralisation and results are pending.*

In addition, remote sensing surveys including geophysical and spectral data were analysed to identify new lithium targets across the largely unexplored 134km^2 Project area (see Figure 2).

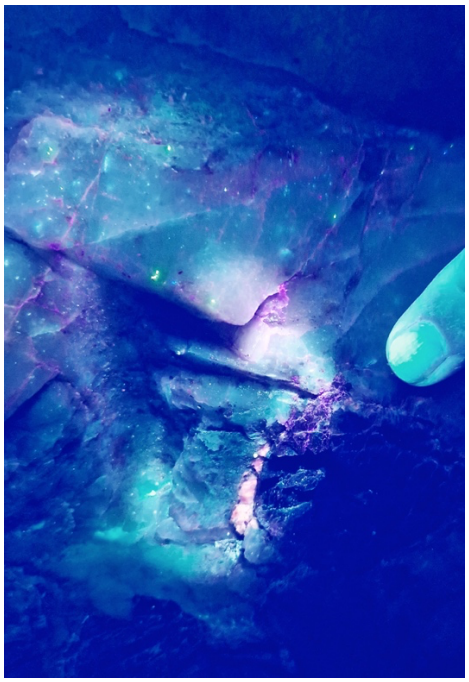

Figure 1 *Talga geology team conducting night-time UV prospecting for lithium minerals at the Aero Project in northern Sweden. Positive observations are recorded and marked with pink tape for collection the next day.*

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Next Steps

Samples collected during fieldwork have been dispatched to laboratories for assay and mineralogical studies, with results expected to be received in November 2023. A maiden drilling campaign at Aero is expected to commence in late Q4 2023 or early Q1 2024, following required site clearances. The initial campaign will comprise 'scout' diamond drilling in several strategic locations to better understand the zonation, thickness, stratigraphy and structure of the main pegmatites.

Subject to results, a major drill program will be conducted in the summer season (Q2-Q3 2024). Talga is also engaged in early discussions with potential strategic partners to advance the Aero Project, with the Talga management team remaining focused on executing the Vittangi Anode Project.

Background

The Aero Lithium Project forms part of Talga's suite of battery metal assets held by the Company's wholly owned Swedish domiciled subsidiary, Talga Battery Metals AB, separate to its advanced stage lithium-ion graphite battery anode business ("Vittangi Anode Project").

Talga staked Aero as the "Aitik East Project" in 2017 primarily for its copper potential, but also noting a minor occurrence of lithium in Swedish historic reports. Since then Talga has conducted copper-focused reconnaissance level exploration, including an electromagnetic survey in 2021 along with minor mapping and surface sampling.

In 2022 additional site visits were undertaken in light of the increased strategic importance of critical raw materials for Europe. Key geological features of the Aero project area were reconsidered, and new pegmatites identified.

During 2023 mapping and rock outcrop sampling Talga discovered multiple large flat to shallow-dipping pegmatite bodies over a 14km strike length, the largest being of 1,100m in strike length and 450m in width as exposed in outcrop (see ASX:TLG 29 August 2023).

Under the proposed EU Critical Raw Materials Act, battery grade lithium is classified as a strategic raw material and will be subject to domestic extraction targets. With few lithium deposits identified in Europe, any discovery could be of significance to the region's emerging battery and electric vehicle industry.

Authorised for release by the Board of Directors of Talga Group Ltd.

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Figure 2 *Aero Project – location map showing mapped pegmatites to date.*

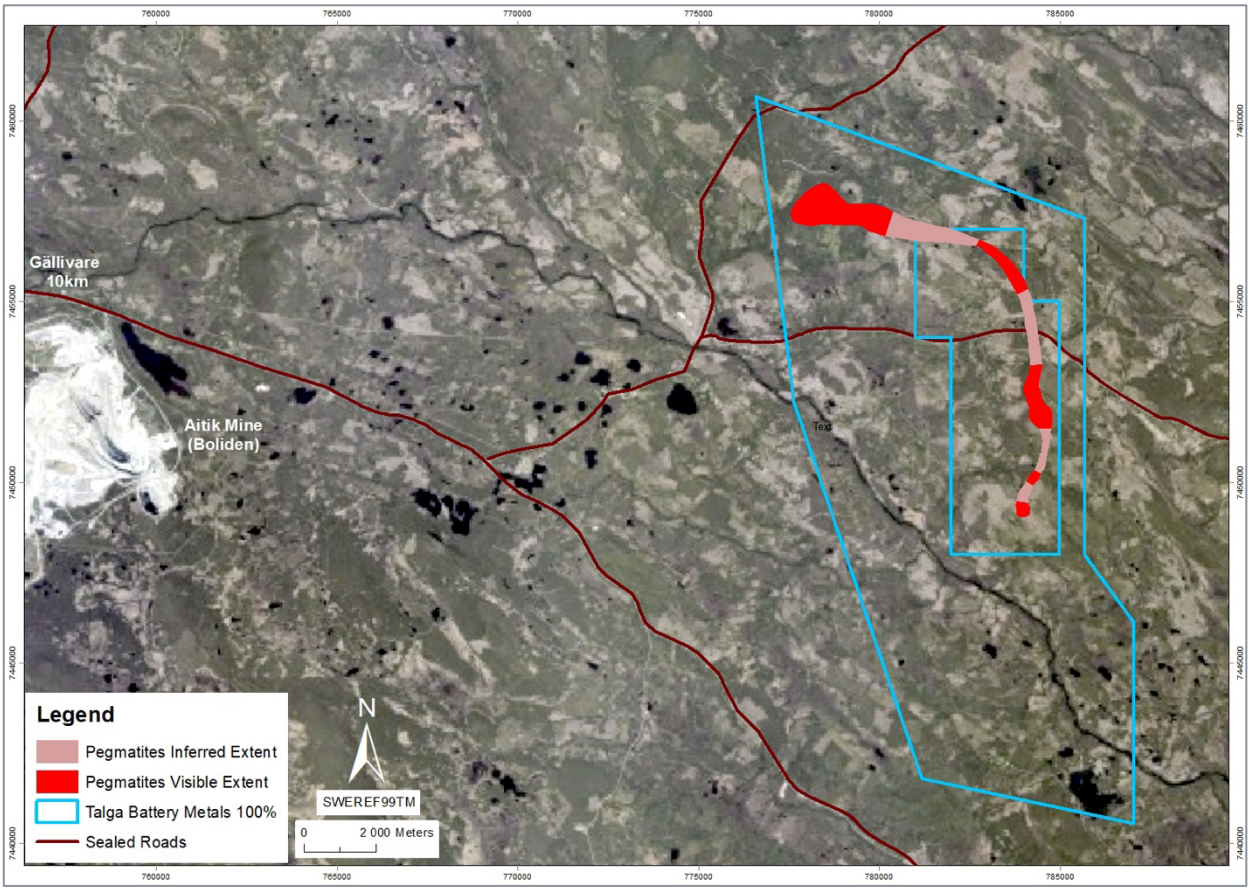
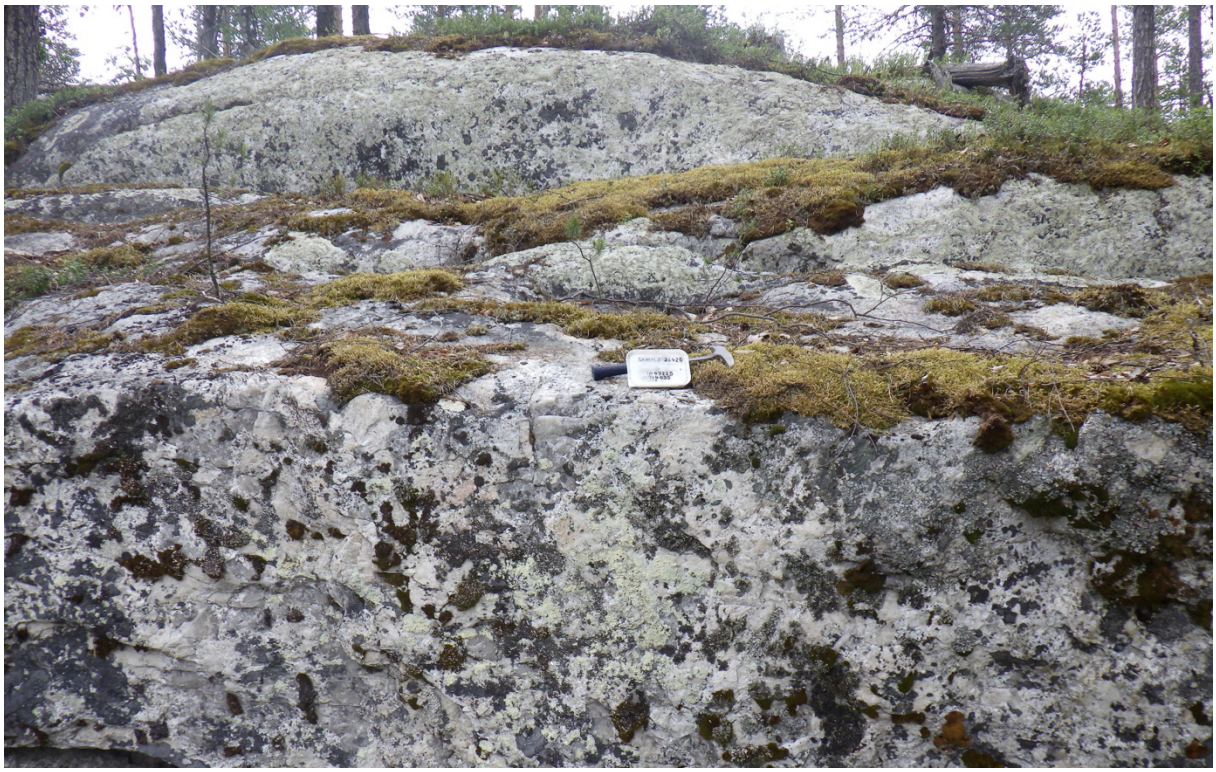


Figure 3 *Pegmatite outcrop showing flat-lying nature at Talga's Aero Project, Sweden.*



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Competent person statement

The information in this document that relates to exploration results is based on and fairly represents information compiled by Amanda Scott, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott 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). Amanda Scott has provided her prior written consent to the inclusion in this report of the matters based on her information in the form and context in which it appears.

The Information in this announcement that relates to prior exploration results for the Aero Lithium Project is extracted from ASX announcements available to view on the Company's website at www.talgagroup.com. The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the relevant original market announcements. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings are presented have not been materially modified from the relevant original market announcements.

About Talga

Talga Group Ltd (ASX:TLG) is building a European battery materials supply chain to offer products critical to the green transition. Talga's innovative technology and vertical integration of 100% owned Swedish graphite resources provides security of supply and creates additional value for stakeholders. Company website: www.talgagroup.com

Forward-Looking Statements & Disclaimer

Statements in this document regarding the Company's business or proposed business, which are not historical facts, are forward-looking statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements.

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JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Samples in this report are surface rock chips collected from various pegmatite outcrops and historic gem diggings/dumps. Given the nature of pegmatites having variable grain size and mineralogy, samples are taken to be representative but sample bias may have been introduced in coarse mineralisation. The rock samples collected were between 0.5kg and 3kg in weight. Samples were examined under a black light UV lamp emitting 365nm wavelength ultraviolet radiation. Fluorescence under UV light is a known property of spodumene (salmon orange) and this adds a further verification to the visual identification of the mineral in samples.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	N/A as no drilling completed to date.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	N/A as no drilling completed to date.

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Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	A short geological description of each sample was taken at the time of collection. The descriptions are qualitative: lithology, alteration, mineralisation etc. All samples are photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No field sub-sampling techniques were employed. Samples were hammered off outcrop and mullock dump material using a rock hammer. Sample size varied but averaged 1-2kg. The samples are considered point samples (up to 1m^2) and may be biased towards mineralised samples. The size of the samples is considered appropriate for this type of work. No field duplicates were taken. The sample preparation for all samples followed industry best practice and was undertaken by ALS Global in Malå. The samples were dried and pulverised to produce a sub-sample for analysis. Sample preparation involved oven drying, coarse crushing, followed by total pulverisation LM2 grinding mills to a grind size of 85% passing 75 microns.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	All rock samples were assayed via a four-acid digest, multi-element suite (48 elements) with ICPMS finish. The acids used were hydrofluoric, nitric, hydrochloric and perchloric with the method approaching near total digest for most elements. The analytical methods are considered appropriate for this style of mineralisation. No geophysical tools were utilised in the preparation of this release. Hand held long wave LED ultraviolet torches were referred to. Lab repeat or duplicate analysis for samples showed that the precision of samples were within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Samples were examined under a black light UV lamp emitting 365nm wavelength ultraviolet radiation. Fluorescence under UV light is a known property of spodumene (salmon orange) and this adds a further verification to the visual identification of the mineral in samples. No independent third-party assaying or sampling has been undertaken at this stage. Results have been reviewed internally by the

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		Company's exploration consultant Ms Amanda Scott and no issues have been identified. Sampling data was captured digitally and is stored on the Company's data server. Laboratory data is also stored on the Company's data server. No adjustments or calibrations were made to any assay data used in this report.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	A Garmin handheld GPS unit with an accuracy of +/- 5m was used to locate each sample. Sample locations use the Swedish Coordinate System 'SWEREF99 TM' grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Samples were taken at non-regular intervals according to observations made at the time in the field. No grade continuity is implied. No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Samples were taken according to observations made at the time in the field. No known sample bias as a consequence of orientation-based sampling has been identified. Samples with coarse mineralisation may be preferentially sampled so some sample bias may be introduced.
Sample security	• *The measures taken to ensure sample security.*	Samples were collected and transported to the laboratory by Tom Kearney, Talga's Exploration Manager.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No external audits or reviews of the sampling techniques and data have been completed to date. Results have been reviewed internally by the Company's Exploration Manager and consultant Ms Amanda Scott and no issues have been identified.

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Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Aero Project (formerly Aitik East Project) comprises exploration licences Suorravaara nr 3 and nr 5 owned 100% by the Company's 100% owned Swedish subsidiary, Talga Battery Metals AB. The licences are located 30km east from the regional town of Gällivare. The total tenement area is 134km^2. The licences are located in an open area of forested land utilised seasonally by the logging industry and Sami reindeer herders of the Gällivare municipality. The licences are in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The SGU noted lithium mineralisation in the 1940's but reported no grades. Historic rock chip sampling for copper was completed by Boliden and SGU, and Talga has conducted EM surveys and rock sampling since 2017. Several areas of minor excavations by prospectors for gem tourmalines are found in the pegmatites and have been visited by gemmologists/collectors. There is no known prior technical exploration for lithium prior to Talga.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Aero Project lies within the Paleoproterozoic volcanic rocks of the Fennoscandian Shield. At Aero lithium mineralisation is hosted within tourmaline-bearing (elbaite) pegmatites intruded as sills, sheets and dikes into the volcanic and granitoid basement rocks. The deposit style appears analogous to the Li-Cs-Ta pegmatite model but geological evaluation by Talga is ongoing.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	N/A. No drill hole data is in this report. Surface rock sampling information is included within the body of this report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades)*	No aggregations applied. No metal equivalents applied.

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	and cut-off grades are usually Material and should be stated. • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	N/A as no drilling completed to date.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to figures in the body of text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results and information available to date.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Everything meaningful and material at this stage is disclosed and no other significant geological data has been reviewed to date.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Talga has conducted ground fieldwork at the Aero Project including geochemical sampling, data review and field mapping of pegmatites. Results will be synthesised to determine and prioritise targets for drilling with the goal to delineate significant concentrations of lithium minerals.