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TALGA GROUP LTD

AND CONTROLLED ENTITIES

ABN 32 138 405 419

2026 FINANCIAL REPORT

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Corporate Directory

Directors

Terry Stinson (Non-executive Chair)

Mark Thompson (Managing Director)

Grant Mooney (Non-Executive Director)

Eva Nordmark (Non-Executive Director)

Company Secretary

Dean Scarparolo

Registered Office and Principal Place of Business

Suite 3.03, Level 3

46 Colin Street

WEST PERTH WA 6005

Phone: 08 9481 6667

Email and Website

Email: info@talgagroup.com

Website: www.talgagroup.com

ABN

32 138 405 419

Securities Exchange Listing

Talga Group Ltd is listed on the ASX and trades on the US OTCQX Market

Home Exchange: Perth

ASX Code: TLG (Shares)

US OTCQX ticker: TLGRF

Share Registry

Automic Registry Services

GPO Box 5193

Sydney NSW 2001

Phone: 1300 288 664

Auditors

Ernst & Young

9 The Esplanade,

PERTH WA 6000

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2026 Directors' Report

The Directors present their report, together with the financial statements of Talga Group Ltd ("Talga" or "the Company") and its controlled entities ("the Group"), for the financial year ended 30 June 2026.

Board of Directors

The following persons were directors of Talga Group Ltd during the financial year and up to the date of this report:

Directors	Position	Date of Appointment
Terry Stinson	Non-Executive Chairman	Appointed 8th February 2017
Mark Thompson	Managing Director	Appointed 21st July 2009
Grant Mooney	Non-Executive Director	Appointed 20th February 2014
Eva Nordmark	Non-Executive Director	Appointed 1st September 2025

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Information on Directors

Terry Stinson – Non-Executive Chairman

Appointed 8th February 2017

Mr Stinson has over 35 years' Executive and Non-Executive Director experience, working for global innovation companies across a range of industry segments, along with a proven track record of forming and leading international business collaborations and joint ventures. Mr Stinson holds a Bachelor of Business Administration in Operations Management and is a Graduate of the Australian Institute of Company Directors.

Mr Stinson is the Non-Executive Chair of Engentus Pty Ltd (appointed May 2021). He is the former CEO and Managing Director of Orbital Corporation, VP for Global Fuel Systems at Siemens AG, CEO and Managing Director of Synerject, VP of Manufacturing Outboard Marine Corporation, Non-Executive Chair of Carnegie Clean Energy Limited (19 October 2018 to 5 February 2025) and Non-Executive Director of Aurora Labs Limited (27 February 2020 to 31 July 2025).

Interests in shares: 281,152. Interests in options: 992,723.

Mark Thompson – Managing Director

Appointed 21st July 2009

Mr Thompson has over 30 years' global experience in the geoscience, technology and mineral industries, and a strong background in public company leadership and capital markets. Mr Thompson is the founder of Talga and a Non-Executive Director of Accelerate Resources Ltd (appointed 29 April 2024) and Non-Executive Chairman of Kaoko Metals Ltd (appointed 5 January 2026). He previously founded and served on the Board of ASX-listed Catalyst Metals Ltd.

He is a Member of the Australian Institute of Geoscientists, the Society of Economic Geologists and the Society of Vertebrate Paleontology.

Interests in shares: 13,111,207. Interests in options: 2,086,586

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Grant Mooney – Non-Executive Director

Appointed 20th February 2014

Mr Mooney has a background in corporate advisory with extensive experience in equity capital markets, corporate governance, and M&A transactions along with a wealth of experience in resources and technology markets. He is a member of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business.

Mr Mooney is a Non-Executive Director of several ASX-listed companies including wave energy technology developer Carnegie Clean Energy Limited (appointed 19 February 2008), Accelerate Resources Limited (appointed 1 June 2017), Gibb River Diamonds Limited (appointed 14 October 2008) and CGN Resources Limited (Appointed 4 July 2023). He is a former Non-Executive Director of 3D metal printing technology company Aurora Labs Limited (25 March 2020 to 14 November 2025) and mineral resources company Riedel Resources Ltd (31 October 2018 to 7 April 2025).

Interests in shares: 49,390. Interests in options: 770,528.

Eva Nordmark – Non-Executive Director

Appointed 1st September 2025

Ms Nordmark, who joined the Talga AB board in December 2023, previously served as the Swedish Minister for Employment and Gender Equality. Before assuming her role as a Minister in two consecutive cabinets, Ms Nordmark held the position of President of the Swedish Confederation of Professional Employees (TCO) and previously served as a Member of the Swedish parliament. Ms Nordmark has also served as Chair of LTU, Luleå University of Technology.

Interests in shares: Nil. Interests in options: 750,000

Information on Chief Executive Officer

Martin Phillips

Appointed February 2024

Mr Phillips is Talga Group's CEO and a Director on the Board of Talga's Swedish subsidiary Talga AB. He is based in Stockholm. Martin is an experienced Project Manager, Commercial Manager and Company Director with more than 25 years of global metals and mining sector experience. Martin oversees the company's vertically integrated, low-emission battery and advanced material production. Prior to his appointment as Group CEO, Martin was Talga's CEO Europe for more than 7 years.

He holds a Bachelor of Chemical Engineering (Honours) and a Graduate Diploma in Applied Finance and Investment. He is a Member of the Australian Institute of Company Directors, and the Australasian Institute of Mining and Metallurgy and he holds a Confederation of British Industry (C.B.I.) Engineering Award.

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Information on Company Secretary

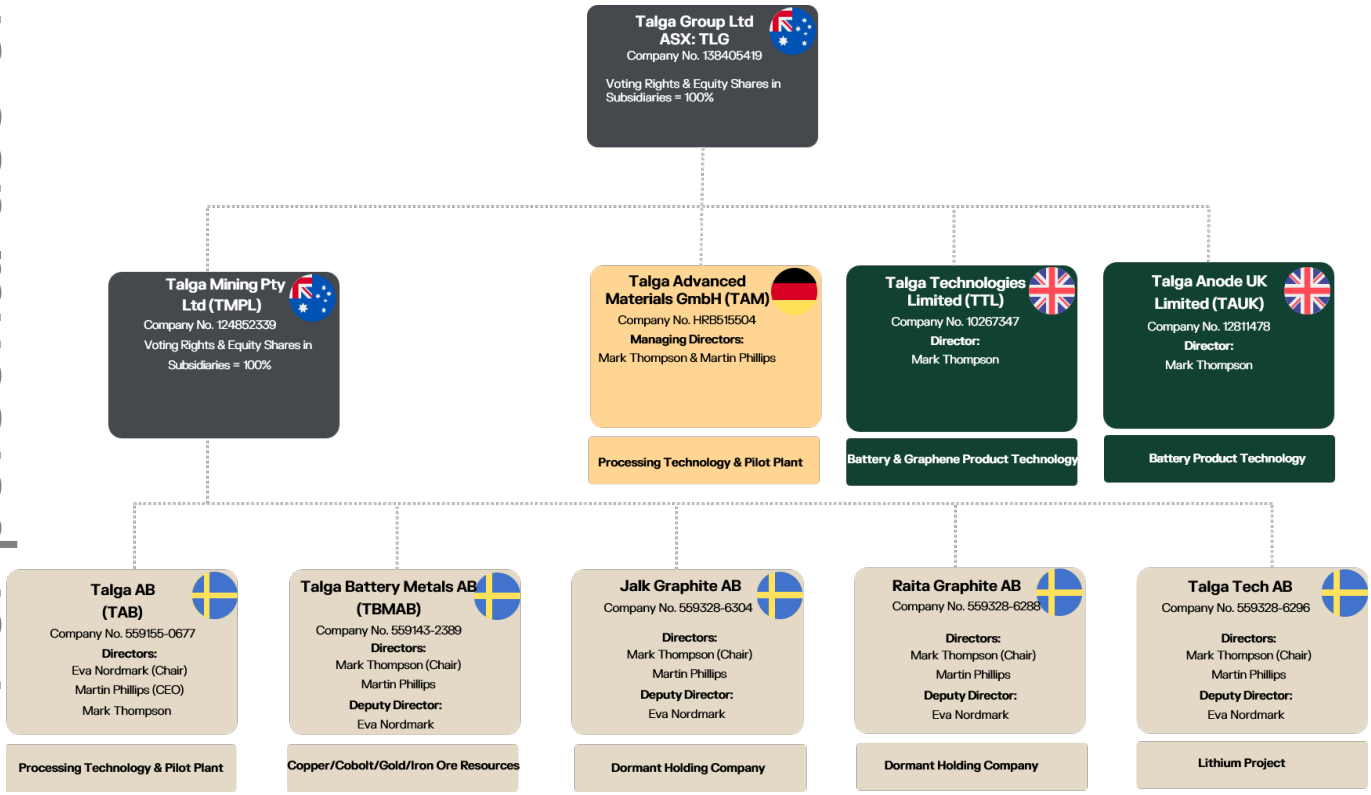
Dean Scarparolo

Appointed 5th February 2015

Mr Scarparolo holds a Bachelor of Business (Accounting) and is a member of CPA Australia. He has a wealth of experience developing and managing the finance departments of ASX-listed companies within the resources sector.

Corporate Structure

Talga Group Ltd is a company limited by shares incorporated and domiciled in Australia.



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Principal Activities and Significant Changes in State of Affairs

Talga is developing battery materials and technologies that will supply products critical to the lithium-ion battery industry for application in industries such as Electrified Vehicles, Energy Storage, Defence and Robotics. The principal activities of the Group during the financial year were:

- Completed the technical work packages of the Front-End Engineering Design study for the anode line in a staged approach to commercial production, following the awarding of a grant from the Swedish Energy Agency.
- Finalised outstanding permits for the Vittangi Anode Project, which are now in force.
- Progressed strategic financing and customer offtakes for the Vittangi Anode Project.
- Continued development of high-performance battery materials including Talnode®-C, Talnode®-R and Talnode®-Si, as well as offering an expanded Talphite® and Talphene® product portfolio to conductive additives and specialty coatings.
- Exploration of Talga's other mineral deposits in Sweden and rationalisation of non-core tenements.

During the year, significant changes in the state of affairs of the Group were as follows:

- Commenced Talnode®-C shipments under the binding Nyobolt offtake agreement, transitioning from customer qualification to commercial deliveries with ongoing sales revenue
- Pivoted the strategy to a staged anode line approach towards commercial production
- Received A$13.35 million (SEK 82.6 million) in grant funds from the Swedish Energy Agency under the Industrial Leap ("Industriklivet") program to advance near-industrial scale anode manufacturing and inform engineering design for the commercial plant
- Swedish Government formally adopted the detailed plan (zoning) for the Nunasvaara South Graphite Mine, with all key permits now in force for the mine component of the Vittangi Anode Project
- Granted three US patents and one patent each for Japan, South Korea and Australia relating to the production method and technology of Talnode® battery anode materials, providing protection in those jurisdictions through to the 2040's
- Launched Talnode®-R, a proprietary graphite anode product regenerated from recycled lithium-ion battery waste, with pilot scale results demonstrating commercial parameters including energy density of more than 350 mAh/g, purity in excess of 99.9%C and first cycle efficiency >95%
- Commenced trading on the OTCQX Best Market® in the United States under ticker TLGRF
- Appointed former Swedish Government Minister Eva Nordmark to the Talga Group Board as a Non-Executive Director following the retirement of Non-Executive Directors Steve Lowe and Ola Rinnan
- Raised A$14.5 million (before costs) via a Placement of 35.4 million new shares to institutional and sophisticated investors at A$0.41 per share with unlisted attaching options and piggyback options
- Completed an oversubscribed Share Purchase Plan, raising A$7.3 million (before costs) at the same issue price and options conditions as the Placement through the issue of 17.7 million new shares
- Mutually agreed to terminate the Aero Project Joint Venture with the Australian subsidiary of Sociedad Quimica y Minera de Chile S.A. (SQM) following the conditions precedent not being satisfied in reasonable time by the Swedish Inspectorate for Strategic Products (Foreign Direct Investment Authority)
- Expanded product offering to include conductive additives for industrial metal powder applications, specialty coatings and advanced manufacturing markets utilising Talga's high-purity graphite for their performance-enhancing properties
- Centralised the Research & Development operations in the United Kingdom and closed the Rudolstadt facility in Germany, relocating some assets with operational value to the UK and selling off remaining plant and equipment. During the period, roles were redeployed to the UK, and others were made redundant, with closure of the Stockholm and Kiruna offices impacting a small number of roles.

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Review of Operations

Vittangi Anode Project

The Vittangi Anode Project primarily consists of the Nunasvaara South natural graphite mine near the village of Vittangi in the northern Swedish province of Norrbotten along with the EVA Anode Plant in the city of Luleå, also located in Norrbotten. The major permits, being the Exploitation and Environmental permits, are now in force for the Nunasvaara South graphite mine. In FY 2026, the detailed development plan (zoning) for the mine site was approved by the Swedish Government, paving the way for Talga to proceed to design and secure building permits before development of the integrated project.

Project Advancement

During the year, Talga adjusted its anode commercialisation strategy to propose a phased approach to production with a modular design enabling scaling from the initial anode line to the full-scale commercial production capacity at the Luleå Anode Refinery. A Front-End Engineering Design Study to update the refinery plant to include an anode production line using recycled feedstock was partly funded by the A$13.35 million Industriklivet grant awarded in October 2025.

The key elements of the staged commercialisation include:

- Site preparation works, buildings, HVAC and utilities to support full Stage 1 production capacity
- Installation of the first purification and coating line (of four planned), with ancillary equipment capable of treating Talga's existing Vittangi graphite stockpiles and recycled anode feedstock

Technology

Following a review of operations, Talga centralised its Research and Development operations in Cambridge, United Kingdom, resulting in the closure of the Rudolstadt R&D facility in Germany. Some of the roles from the German facility were redeployed to the United Kingdom and others were made redundant.

Talga participated in a range of ongoing EU-funded R&D projects during the year, including the following:

NoVOC: As a key partner in this €5.4 million Horizon Europe initiative (total project cost €10.1 million), Talga supplies innovative high-performance graphite and silicon-graphene composite anodes tailored for both aqueous (wet) and dry electrode manufacturing processes, targeting volatile-free lithium-ion battery manufacturing. The 17-partner consortium (including Varta and FIAT), coordinated by RISE (Research Institute of Sweden) and spanning 10 countries, focuses on reducing costs, energy use and emissions while promoting European production independence.

HiSpin: Talga contributes specialised silicon-graphite/graphene composite anodes to this project, targeting high-performance battery cells for automotive and aeronautic applications, with high-voltage spinel LNMO/SiC active material with goals of 390 Wh/kg energy density, high-power, over 2,000 cycle life, and low cost (less than EUR 90/kWh). Coordinated by the Austrian Institute of Technology, the 14-partner consortium across 8 countries (including Saft and Topsoe) emphasises performance and cost through novel active materials, high-voltage electrolytes and innovative electrode structuring.

GRAPHiREC: Talga leads graphite post-processing in this €7.5 million EU LIFE program initiative, dedicated to recycling graphite from lithium-ion and alkaline battery waste at industrial pilot scale. The project implements Europe's first industrial pilot plants using dry mechanical pre-treatment and hydrometallurgical processes, targeting 90% recovery rates at purity levels suitable for Li-ion and alkaline battery graphite. Talga's role includes purifying graphite to battery-grade quality and using proprietary carbon coatings, manufacturing high-performance anode materials for integration into new Li-ion batteries and enabling performance parity with virgin sources for market-ready prototypes. The 8-partner consortium features

recyclers, battery manufacturers and universities with electrochemical testing by VARTA to validate full-cell performance against commercial benchmarks.

Talga is also involved in two Swedish competence centres: 2DTech, which brings together partners such as GKN Aerospace and Volvo with interest in advanced 2-D materials; and Batteries Sweden (BASE), focusing on building a battery research environment with industrial development focus, bridging the entire industrial battery value chain from material/component producers to end users and recyclers.

Intellectual Property

During the year, Talga expanded its intellectual property portfolio and was granted patents for its anode products and production technologies in four key markets; Japan, the United States, South Korea and Australia.

The Japan patent for innovative "Anode Material and Method for Producing Same" (#7779483) protects the Company's proprietary process for producing natural graphite anode materials delivering superior energy density, long-life and fast-charge capability for lithium-ion batteries. The patent provides Talga with exclusive rights in Japan until at least 2040.

This follows the granting of three patents in the United States for the same technology during the year. The three US patents granted were (#12,424,627, #12,434,973 and #12,398,040) protecting proprietary graphite-based anode production technologies until 2042.

Later in the year, the Ministry of Intellectual Property for the Republic of Korea confirmed registration of patent #10-2982528 for Talnode®-C material and the production method through to 2040. The patent was originally filed in South Korea in 2022.

Talga also received notice of grant from IP Australia for Australian patent #2020307520 for silicon and graphite composite anode material until 2040.

Collectively these patented technologies build on Talga's competencies in material science, innovative shaping and coating methods along with eco-friendly purification to produce battery anode materials for use in high-power applications such as robotics, hybrid electric vehicles and AI energy storage systems.

Mineral Exploration and Development

Mineral exploration during the year focussed on the Aero Project, Talga's 100% owned 270km^2 lithium and critical minerals project located in the Norrbotten mining district which is separate from the Vittangi Anode Project.

Aero hosts new discoveries of lithium-caesium-tantalum type pegmatite systems and has previously returned lithium grades up to 1.95% Li_2O from surface samples with associated anomalous rubidium, caesium and gallium across multiple zones spanning kilometres of strike.

In the 2025 northern hemisphere summer period, rock chip sampling, field mapping and evaluation across an 8-kilometre strike at Aero confirmed further high-grade gallium and other critical elements. The exploration was undertaken with an AI-linked Exploration Information System tool which is part of an EU-funded global collaboration.

Some highlights of the assay results included:

- Sample BD00033: **296ppm Ga_2O_3**
- Sample A26450: **820ppm Cs_2O**
- Sample A26217: **1,010ppm Nb_2O_5**, **595ppm Ta_2O_5** and **186ppm Y_2O_3**
- Sample A26365: **313ppm Sc_2O_3**

One of the Aero Project's tenements was relinquished during the year, along with a tenement from the Jalkunen Graphite Project and one from the Raitajärvi Graphite Project. These tenements are non-core, and none relate to the Vittangi Anode Project.

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During the year, Talga and SQM mutually terminated their proposed Aero Project Joint Venture following a delay by Swedish Authorities which resulted in a failure to meet conditions precedent.

The Kiskama Cu-Co-Au exploration tenement in Norrbotten County expired after 15 years as an exploration tenement and was not renewed considering the Company's priorities and mining concession requirements.

Outlook and Strategy

The Company's strategy is to advance a staged and capital-disciplined pathway to commercial scale production, beginning with an initial anode line and expanding progressively towards full-scale operations. This will be supported by supply agreements and other commercial arrangements with several counterparties to underpin production.

Talga enters the next phase of development with all key mine and refinery permits for the Vittangi Anode Project in force, established high-grade graphite Ore Reserves and existing mined stockpiles (27,000 tonne) available to support initial production.

The development of the Nunasvaara South mine provides a major European opportunity to provide a long-term battery-grade graphite source and has potential for globally significant expansion in production capacity over time.

The Company's flagship Talnode®-C product has been qualified by several Tier 1 cell makers which are currently under non-disclosure agreements, reinforcing the Company's advanced readiness for high-performance, low-emission anode material supply.

Production through the EVA qualification plant reached new milestones during the year, and volumes to offtake partner Nyobolt transitioned from qualification samples to commercial deliveries, demonstrating the Company's ability to produce to customer specifications and support commercial market entry.

Talga's Front-End Engineering Design study is being advanced, to support a Class 3 estimate for the proposed commercial 19,500 tpa anode project. Subject to funding, approvals and a final investment decision, the Company intends to progress toward execution contracts.

The funding strategy remains focused on combining non-dilutive sources of capital from customer and strategic investor participation with public funding instruments available to critical minerals and battery supply chain projects.

Talga has secured a conditional €150 million European Investment Bank facility and a €70 million European Commission Innovation Fund grant. The Company is continuing to pursue access to EU Strategic Project instruments and other government funding support, in addition to seeking strategic partners globally to develop and grow the project to its fullest extent.

Talga's strategic priority is to scale production in a capital-disciplined manner to initially meet demand for premium, defence-grade and Foreign Entity of Concern (FEOC) free graphite and anode materials. This aligns with growing customer and policy focus on secure, transparent and low-emission supply chains outside of high-risk jurisdictions.

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Subsequent events

Post year end, Talga announced it had commenced commercial shipments under the Nyobolt offtake agreement, transitioning from qualification volumes and marking a significant milestone in the Company's history. Subsequently there were multiple other material updates to support Talga's ambition of becoming a leading integrated producer of high-performance FEOC-free battery anode products.

Talga announced four non-binding Letters of Intent with three Japanese entities and one German entity, for the supply of flagship battery anode material Talnode®-C from the Vittangi Anode Project.

The LOI's with Japan's Mitsubishi Chemical Corporation (ASX: TLG 06/07/2026), Dainen Materials (ASX: TLG 16/07/2026) and trading company Hanwa, (ASX: TLG 27/07/2026) were announced in July 2026. The intention of all three LOI's is to negotiate and execute definitive long-term agreements by the end of December 2026. The LOI with Germany entity, EAS Batteries, was announced on 16 September 2026 (ASX: TLG 16/09/2026) with the intention to negotiate a binding term sheet by April 2027 and execute a conditional Supply Agreement by July 2027. While every effort will be made to meet the deadlines, there is no certainty that the LOI's will become binding agreements with the counterparties.

Talga is progressing a range of other commercial arrangements with entities in Japan, USA, France and other jurisdictions.

On 1 September 2026, the Swedish Energy Agency (Energimyndigheten) approved the extension of the "Sustainable, low emission active anode material made from natural and recycled graphite" project which has a total value of SEK 190 million (A$30.8 million). Following two approved extensions, the project end date has now been extended to June 30, 2027. Any funds received that have not been used by Talga AB for this purpose shall be repaid to the Swedish Energy Agency, conditional upon filing a "Final report" inclusive of an auditor's certificate by 25 August 2027 confirming compliance with the terms of the grant.

Dividends

No dividend has been paid during or is recommended for the financial year ended 30 June 2026. (30 June 2025: Nil).

Risks

There are specific risks associated with the activities of the Group and general risks that are largely beyond the control of the Group and the directors. The most significant risks identified that may have a material impact on the future financial performance of the Group and the market price of the shares are:

Licences, Permits, Processing and Approvals Risk

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). The refinery also requires an Environmental Permit. The Company received its Environmental Permit for its commercial battery anode refinery plant (to be located at Lulea) in July 2023. The Company received its Environmental Permit for its Nunasvaara South natural graphite mine (located at Vittangi)

in December 2024. The Nunasvaara South natural graphite mine Exploitation Concession was granted by the Mining Inspectorate of Sweden (Bergsstaten) in June 2025.

Whilst all major permits are now approved for the Company's 100% owned Nunasvaara South mine and anode refinery, delays in any other required licences, permits or approvals could impact planned and/or expanded production schedules and delay customer contracts.

At the date of this report all mining and exploration permits and licences were in good standing. Failure to obtain or renew one or more required licences, permits or approvals on a timely basis may adversely affect the Company's operations.

Operating and Budget Risk

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 can realise value from its projects, it is likely to incur ongoing operating losses.

The Company has successfully piloted its production flow sheet from mine to anode. It has also standardised its products and their production procedures at pilot plant level working in conjunction with customers who completed validation electrochemical testing. The preferred OEM equipment suppliers and technology providers have also been selected.

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.

The Company has and will continue to enter into various agreements for the Vittangi Anode Project. Risks associated with agreements include rising contract prices as well as disputes regarding variations, extensions of time and costs, and global events impacting contractual performance and liability, all of which may give rise to delays and/or increased costs.

Production guidance and targets are, as always, subject to assumptions and contingencies which are subject to change as operational performance and market conditions change or other unexpected events arise. Any production guidance is dependent on a number of factors including maintenance and operation of the mine and plant without material equipment failure, loss of continuity of experienced personnel and achievement of recovery rates from the resource. These risks are discussed in more detail elsewhere in this section.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Currently, the Company does not generate material income from its operations and may seek to raise further funds through equity or debt financing, grant funding, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and

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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 (and subsequent completion of Feed Study on 15 April 2024). If the Company agrees on any near term future customer offtake or supply arrangements, fast-track commercial ramp up development may occur which will require additional funding to be obtained. Whilst the Company is in discussions with respect to offtakes and supply agreements, there is no guarantee such discussions will result in binding agreements (see 'Offtake Arrangements risk' below).

The Company's cash as at 30 June 2026 was $18.7 million, and the Company will need to seek funding options to provide for on-going business activities and to advance the Vittangi Anode Project. To date, the Company has announced that the European Investment Bank (EIB) board has approved €150 million senior debt facility to underpin the Project (ASX: TLG 20 June 2023). Following this approval, loan documentation is being agreed between EIB and the Company, including customary terms and conditions for a financing facility of this nature. While the Company will seek to expedite these negotiations, there can be no guarantee that they will result in a binding agreement. In addition, the Company has been awarded €70 million EU grant funding for the development of Vittangi Anode Project – Lulea Refinery (See ASX: TLG 25 Oct 2024). With the assistance of financial and transaction advisors BurnVoir, the Company will identify and evaluate potential outcomes which may emerge from ongoing project development partnership, customer and financing discussions with other 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 to fund further development in Sweden, Germany and the UK.

More generally, the Company is continually assessing its 'all in' funding costs for development of the Vittangi Anode Project through to expected first production. There are a wide range of factors that have the potential to influence the Company's funding needs, a number of which are beyond the control of the Company. As a consequence, and to ensure that the Company is reacting appropriately to changing events, market conditions, and broader economic circumstances, the Company will continue to refine its funding needs on an ongoing basis and in real time. The Company remains committed to delivering the Vittangi Anode Project in a cost-effective manner, consistent with previously stated safety and schedule priorities, and will continue to apply prudent and efficient capital expenditure processes.

Further, the Company, in the ordinary course of its operations and developments, may be required to issue financial assurances, particularly insurance 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. The Company currently has a A$31 million (SEK 210 million) unsecured environmental bond facility (Facility) from surety company Atradius used to meet environmental bonding requirements as agreed in the granted environmental permit for the Vittangi Anode Project (See ASX: TLG 30 Nov 2023).

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.

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Both now and in the future, higher than expected inflation rates generally, specific to the mining industry, or specific to Sweden, may increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such cost increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact the Company financial performance.

Offtake Arrangements

The Company has entered into a binding offtake agreement with Nyobolt (ASX: TLG 14 May 2025) and has since year end commenced commercial shipments in accordance with the agreement. The Company has further agreements with a non-binding offtake term sheet with Automotive Cells Company SE (ACC) (ASX: TLG 27 September 2022) and a non-binding letter of intent with EV battery manufacturer Verkor SA (Verkor) (ASX: TLG 11 January 2023) regarding the supply of graphite anode from the Company's Vittangi Anode Project in Sweden. Post year end Talga announced three non-binding Letters of Intent with Japanese entities, for the supply of flagship battery anode material Talnode®-C from the Vittangi Anode Project. The LOI's with Japan's Mitsubishi Chemical Corporation (ASX: TLG 06/07/2026), Dainen Materials (ASX: TLG 16/07/2026) and trading company Hanwa, (ASX: TLG 27/07/2026) were announced in July 2026. The intention of all three LOI's is to negotiate binding term sheets by end of September 2026 and to execute definitive long-term agreements by the end of December 2026.

While the Company will seek to execute definitive documentation as soon as reasonably practicable, there can be no guarantee the documentation will be finalised.

Further, the Company sells anode materials to a range of customers who purchase anode materials for trialing in their cells. The Company is seeking to secure other offtake agreements in respect of any excess production capacity not proposed to be taken by Nyobolt, ACC, Verkor, Mitsubishi, Dainen or Hanwa and there is no certainty that the Company will be able to enter into such agreements in a timely manner, with acceptable parties, for sufficient volumes or on reasonable terms with new customers. Any of these circumstances may adversely impact the Company's financial performance and position including the Company generating less revenue than anticipated.

In addition, the Company expects that the sale of graphite battery anode material will (at least under some sales contracts) be subject to commercial verification and qualification processes to ensure any material produced meets the specifications for supply required by customers (including the industrial graphite markets and the battery anode sector). The qualification process may require approval from multiple parties in the supply chain and not just those parties with whom the Company has contractual arrangements. Failure of the Company's material to qualify for purchase, or any unanticipated delay in qualifying the Company's material may adversely impact the Company's financial performance and position (including by resulting in the Company generating less revenue or profit than anticipated and/or incurring higher costs than anticipated).

Environmental and Social Impact Constraints

The Company's exploration, mining and processing activities will, in general, be subject to approval by regulatory authorities and influenced by other key stakeholders such as local communities. Development of the Company's properties is dependent on the related project following environmental guidelines and laws and, where required, being approved by the relevant authorities. In addition to the Company's Environmental Policy, the Company has developed an Integrated Management System (IMS) to document the process for managing environmental and social risks.

Talga has secured ISO certifications according to ISO 9001:2015 QMS (Quality Management Systems), ISO 14001:2015 EMS (Environmental Management Systems) and ISO 45001:2018 OHS (Occupational Health and Safety Management Systems) for our pilot production and R&D facilities in Germany, the UK and Sweden. In addition, Talga has secured ISO 27001:2022 ISMS (Information Security Management Systems) across the Group. Talga is progressing alignment with ISO 26000, the international standard for social responsibility, which includes a Social Performance Policy and developing Social Performance systems which will provide the structure for cascading the Company's commitment to protect labour and

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human rights. The Company's IMS covers safe use, management and transport of chemicals, waste, and dust; safety procedures for emergencies; ongoing monitoring and auditing; and commitment and active support from leadership.

The Company is aware of its environmental obligations across its operational activities and continues to monitor compliance. The Company must comply with all known standards, existing laws, and regulations in each case which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how vigorously and consistently the regulations are administered by the local authorities. There are inherent environmental risks in conducting exploration and mining activities, or industrial materials processing, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses.

Changes in environmental laws and regulations or their interpretation or enforcement may adversely affect the Company's operations, including the potential profitability of the operations. Further, environmental legislation evolving in a manner which may require stricter standards and enforcement (with associated additional compliance costs) and expose relevant operations to the increased risk of fines and penalties for non-compliance, more stringent environmental assessment of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations.

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Community Relations

The Company's mining and industrial materials processing activities may cause issues or concerns with the local community (including local indigenous groups) in connection with, amongst other things, the potential effect on the environment as well as other social impacts relating to employment, use of infrastructure and community development.

The Company has established ongoing engagement and management programs focussed on optimising positive impacts and minimising the risk of negative impacts on the community, particularly in those parts of Sweden where the Company operates.

A stakeholder engagement plan was developed in 2017, has been implemented and continuously updated. The Company undertakes a range of community engagement activities at Vittangi, Kiruna and Luleå such as open houses, open days, community sponsorships and participation in local fairs. As described within the Stakeholder engagement plan, the Company regularly discloses information about the project development through newsletters, web-based information and direct engagement. The Company conducted (via an independent company) its first community sentiment survey in December 2021, which has since been deployed yearly to collect feedback and insights supporting ongoing activities and engagement. Talga also seeks opinions of the local communities during permit consultations and via key informant interviews. Talga has a grievance mechanism which is communicated directly to local stakeholders, by reference during public meetings, in key informant interviews, within email newsletters (through invitation for feedback) and presence in multiple sections on the Company's website. The Company invites stakeholders to contact the company with concern, feedback or questions via its local email addresses, phone numbers or postal addresses. Talga is also progressing a Social Impact Assessment, including the development of a Human Rights Impact Assessment and Indigenous Peoples Plan, for the Vittangi Anode Project. This work will further support the identification, mitigation and management of potential stakeholder social impacts and help determine additional assessments and actions.

However, these programs do not guarantee that other issues or concerns may arise with local communities. If such issues or concerns were to arise, this may have an adverse effect on the Company's reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.

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 affected. 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. The Company has successfully negotiated property rights and purchase agreements with landowners covering the current Vittangi Project.

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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.

Reserve Estimates

The Reserve estimates have been carefully prepared by an appropriately qualified person in compliance with the Joint Ore Reserves Committee (JORC) guidelines and in appropriate instances are verified by independent mining experts. Estimated valuations are dependent on Market Prices for the targeted ore.

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.

There is also a risk that unforeseen geological or geotechnical issues may be encountered when developing and mining ore reserves, such unusual or unexpected geological conditions. As a consequence of any such event, a loss of revenue

may be caused due to the lower than expected production or higher than anticipated operation and maintenance costs and/or ongoing unplanned capital expenditure in order to meet production targets.

Development and Commercialisation

The Company's ability to generate revenues from its multiple graphite, anode and to a lesser degree, 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 there is no guarantee that the Company will be able to successfully commercialise the products (including in a profitable sense). The Company has confidence in the development and results to date with production through the EVA qualification plant reaching new milestones during the year, and volumes to offtake partner Nyobolt transitioned from qualification samples to commercial deliveries, demonstrating the Company's ability to produce to customer specifications and support commercial market entry. Further advanced and positive qualification testing in the near term with other potential customers (see 'Offtake Arrangements risk' above) will bolster commercialization.

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 development plans for silicon anode.

Technology Risks

Cybersecurity Risk

The Group is exposed to the risk of cyberattacks, ransomware, and data breaches that could result in unauthorised access to sensitive information relating to the Group, its employees, customers, suppliers, or intellectual property. Such incidents may cause reputational damage, financial loss, or regulatory penalties. Policies, procedures, and practices are in place to safeguard systems and data, supported by regular monitoring, penetration testing, and compliance with recognised security standards.

IT Systems Reliability Risk

The Group relies heavily on technology platforms to support operations. System outages, failures of legacy infrastructure, or prolonged downtime of critical applications could disrupt business processes, reduce productivity, and impact customer service. The Group maintains business continuity and disaster recovery plans and continues to invest in modernising core systems to ensure resilience and operational stability.

Digital Transformation & Technology Change Risk

The Group undertakes major technology transformation programs, including upgrades to enterprise platforms and the adoption of new digital tools. These projects may be delayed, exceed budget, or fail to deliver anticipated benefits, impacting operational efficiency and competitiveness. Governance frameworks, project management disciplines, and oversight by senior management are in place to mitigate these risks.

Third-Party Technology Risk

The Group is dependent on a range of third-party vendors and service providers, including cloud hosting, telecommunications, and software partners. A failure, outage, or cyber incident affecting these third parties could impact the Group's ability to operate effectively. Vendor risk assessments, contractual security requirements, and ongoing monitoring are undertaken to manage this risk.

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Data Governance & Privacy Risk

The Group collects and manages significant volumes of personal, operational, and commercial data. Inadequate data governance or failure to comply with privacy regulations could result in financial penalties, litigation, and reputational harm. Policies, data management frameworks, and compliance with applicable laws, including the EU General Data Protection Regulation, are maintained to ensure the security and responsible use of data.

Talent & Skills Risk

The shortage of skilled technology and cybersecurity professionals presents a risk to the Group's ability to protect systems, deliver transformation projects, and maintain critical services. Over-reliance on key personnel may also increase operational exposure.

Reputation & Trust Risk

Any significant cyber incident, technology failure, or prolonged disruption could lead to a loss of customer confidence, negative media coverage, and diminished shareholder trust. The Group recognises the importance of maintaining a strong reputation for security and reliability and continues to strengthen its controls, oversight, and communication strategies.

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Intellectual Property Risk

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 16 active patent families encompassing 74 active cases (34 proceeded to grant 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 overall business, with respect to its financial position and overall profitability and operational output.

Within the industry that the anode 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.

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. Key Management have been incentivised with employment-based performance rights to mitigate this risk.

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.

Competition

The Vittangi Graphite Project in northern Sweden contains the EU's largest JORC-classified natural graphite Mineral Resource and is considered among Europe's largest and highest-grade graphite resources. However, competition from international graphite explorers, anode producers, existing producers and new market entrants may affect the future cash flows and earnings the Company can realise from the Vittangi Anode Project. New mining and processing facilities, together with increased global graphite supply, could reduce graphite prices. The Company may also compete with other mining and exploration companies to acquire new projects needed to sustain or grow future production. Its downstream operations may be affected by new market entrants or existing graphite producers adopting a similar strategy.

Litigation and Infringement Risk

The Company may be involved in claims, litigation and disputes from time to time including in relation to contractual disputes, claims from local indigenous groups, tenure disputes, environmental claims, occupational health and safety claims, intellectual property disputes and employee claims. Claims, litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, the Company. They can also take up significant time and attention from management and the Board. Accordingly, the Company's involvement in claims, litigation and disputes may have an adverse impact on its financial performance.

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 viruses 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 has had both 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 future lockdowns and relevant operator's / supplier personnel not becoming infected which could result in delays.

Climate Change Risk

Climate change is a risk the Company has considered. The climate change risks particularly attributable to the Company include:

- The emergence of new or expanded regulations associated with the transition 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.

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- 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 9 August 2023, the Life Cycle Assessment of Talga's flagship lithium-ion battery anode product, Talnode®-C, emits 92% less CO2-equivalent than incumbent electric vehicle battery anode materials largely due to avoiding the use of fossil-fuel power to either produce natural graphite anode or graphitise petroleum/coal derived feedstocks for energy intensive synthetic graphite anode production, as is the case with anode technology currently imported into Europe from Asia.

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 in 2022.

Public Company Obligations

As a publicly listed corporate entity, the Company is subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organizations, including the ASX, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity, creating many new requirements, which increase compliance costs and the risk of non-compliance. The Company's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, revenue-generating activities.

General Economic Conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, may have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

Volatility of Share Price

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of graphite and anode products and many other elements beyond the control of the Company could materially affect the price of the Shares of the Company.

There can be no assurance that an active market for the Shares would be sustained after any offering of securities. Securities of companies with smaller capitalisations have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. If an active market for the Shares does not continue, the liquidity of a purchaser's investment may be limited. If such a market does not develop, purchasers may lose their entire investment in the Shares of the Company.

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As a result of any of these factors, the market price of the Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages, and also divert management's attention and resources.

Policies and Legislation

Any material adverse changes in government policies or legislation of Australia or Sweden or any other country that the Company has economic interests may affect the prospects and profitability of the Company.

Force Majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fires (including forest fires) or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

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Directors' and committee meeting

Director Meetings

Directors	Number Eligible to Attend	Number Attended
Terry Stinson	8	8
Mark Thompson	8	8
Grant Mooney	8	8
Eva Nordmark	8	8

Remuneration Committee Meetings

Directors	Number Eligible to Attend	Number Attended
Terry Stinson	1	1
Grant Mooney	1	1

Nomination Committee Meetings

Directors	Number Eligible to Attend	Number Attended
Terry Stinson	1	1
Grant Mooney	1	1

Audit and Risk Committee Meetings

Directors	Number Eligible to Attend	Number Attended
Grant Mooney	2	2
Terry Stinson	2	2
Eva Nordmark	2	2

Share options performance rights

As at the date of this report, there were 42,845,924 ordinary shares under option and 750,345 shares subject to performance rights:

	Number	Exercise price $	Expiry date
Options			
Shareholders	8,333,331	0.58	29-May-27
Shareholders	8,869,657	0.58	11-Feb-28
Shareholders	17,682,936	0.58	11-Feb-28
Employees and directors	1,500,000	0.60	27-Aug-28
Employees and directors	2,000,000	1.00	31-Oct-28
Employees and directors	4,460,000	1.00	21-Nov-28
Total number of shares under option	**42,845,924**		
Performance Rights			
Employees and directors	500,000	-	13-Jan-28
Employees and directors	250,345	-	14-Jan-28
Total number of shares under performance rights	**750,345**		

No person entitled to exercise any option or performance right referred to above has or had, by virtue of the option or performance right, a right to participate in any share issue of any other body corporate. During or since the end of the financial year 38,900 employee share performance rights expired.

Remuneration Report (Audited)

This report details the type and amount of remuneration for each director and Key Management Personnel ("KMP") (defined as those having authority and responsibility for planning, directing and controlling the activities of the Group).

Remuneration Policy

The performance of the Group depends upon the quality of its directors and executives. To be successful, the Group must attract, motivate and retain highly skilled directors and executives.

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high-quality board and KMP by remunerating them fairly and appropriately with reference to relevant employment market conditions. The Board links the nature and amount of some director and KMP emoluments to the Group's financial and operational performance. To assist in achieving the objective the Board set up a Remuneration Committee.

The responsibilities of the Remuneration committee are to:

- Attract, retain and motivate high quality directors and KMP;
- Reward directors and KMP for Group performance;
- Align the interest of directors and KMP with those of shareholders;
- Link reward with strategic goals and performance of the Group; and
- Ensure total remuneration is competitive with market standards.

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The remuneration of a director or KMP will be decided by the Remuneration Committee. In determining competitive remuneration rates the Remuneration Committee reviews local and international trends among comparative companies and the industry generally, as well as the strategic complexity and time commitment of the role. It also examines terms and conditions for the employee share option plan. The Remuneration Committee also relies on remuneration consultants from time to time. No remuneration consultants were used this year.

Non-executive director remuneration

The maximum remuneration of non-executive directors is the subject of shareholder resolution in accordance with the Company's Constitution, and the Corporations Act 2001 as applicable. The allocation of non-executive director remuneration within that maximum will be made by the Remuneration Committee having regard to the inputs and value to the Group of the respective contributions by each non-executive director. Shareholders at a general meeting approved a maximum aggregate amount of $750,000 to be paid to non-executive directors for directors' fees. The Board, upon consultation with the Remuneration Committee, may allocate this pool (or part of it) at their discretion.

The Remuneration Committee may recommend awarding additional remuneration to non-executive directors called upon to perform extra services or make special exertions on behalf of the Group such as representation on committees. There is no scheme to provide retirement benefits, other than statutory superannuation (or pensions as the case may be for foreign non-executive directors) to non-executive directors.

Executive remuneration

Executive remuneration may consist of both fixed and variable (at risk) elements.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is appropriate to the position and is competitive in the market and may be in variety of forms including cash and fringe benefits. The remuneration is reviewed annually by the Remuneration Committee.

Variable (at risk) remuneration

Variable remuneration may be delivered in the form of a short-term incentive (STI) scheme, cash bonuses or long-term incentive schemes including share options or rights. All equity-based remuneration paid to directors and executives is valued is valued at fair value. Options are valued using the Black-Scholes methodology, while performance rights without market-based conditions are valued based on the Group's share price at the grant date. All equity-based remuneration for directors must be approved by shareholders.

Performance Based Remuneration

Other than as noted below under Services Agreements of Executive Directors and KMP, the Group did not pay any other performance based bonuses to directors or KMP in the year ended 30 June 2026.

Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to maximise the commonality of goals between shareholders, directors and executives. The method applied in achieving this aim to date has been the issue of options or performance rights to directors and executives under the Company's Employee Securities Incentive Scheme to encourage the alignment of personal and shareholder interests. Furthermore, STI's in the form of cash bonuses that are structured to remunerate KMP for achieving annual Group targets and individual performance targets that reflect the Group's development path and that can translate into long term value being created for shareholders have also been considered and implemented. The Group believes this policy will be the most effective in increasing shareholder wealth.

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Services Agreements of Executive Directors and KMP

Mark Thompson's employment conditions as Managing Director are defined by way of a contract of employment with no fixed term. Mr Thompson's annual Base Salary and superannuation is $512,886. No STI's were agreed nor accrued or paid for the FY2026 and FY2025.

The Company may terminate Mr Thompson's employment contract without cause by providing nine months written notice or making payment in lieu of notice, based on the individual's annual salary component. Mr Thompson may terminate his employment without cause by providing six months written notice and the Company may pay Mr Thompson in lieu of notice or require him to serve out his notice. In the event of a change in control of the Company, Mr Thompson will receive a bonus payment comprising of a lump sum gross payment of 12 months' Base Salary. If within 6 months after the change in control Mr Thompson elects to terminate his employment or his employment is terminated by the Company, Mr Thompson will not be entitled to any notice of termination or payment in lieu of notice.

Martin Phillips's employment conditions as Chief Executive Officer (CEO) are defined by way of a contract of employment with no fixed term. Mr Phillips's annual Base Salary and superannuation is SEK 3,289,400 ($518,520). No STI's were agreed nor accrued or paid for the FY2026 and FY2025.

Mr Phillips relocated permanently to Sweden as of 1 July 2024. His renegotiated remuneration package entitles him to three return airfares for immediate family members per year ($7,190 was paid in airfare benefits in FY26) as well as house benefit ($80,866 was paid as a house benefit in FY26).

The Company may terminate Mr Phillips's employment contract without cause by providing six months written notice or making payment in lieu of notice, based on the individual's annual salary component. Mr Phillips may terminate the employment without cause by providing six months written notice and the Company may pay Mr Phillips in lieu of notice or require him to serve out his notice.

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Details of Remuneration

Details of the remuneration of the directors and other Key Management Personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) of Talga are set out in the following tables.

	Short Term Benefits				Post-Employment	Long Term Benefits		Share based payments	Total including share based payments
2026	**Salary**	**Directors Fees**	**Other (i)**	**Leave entitlements (ii)**	**Superannuation**	**Long service Leave entitlements (ii)**	**Subtotal**	**Options and Rights (iii)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Terry Stinson - Non-Executive Chair	-	150,000	6,787	-	18,815	-	**175,602**	99,840	**275,442**
Mark Thompson - Managing Director	482,866	-	-	18,972	30,000	17,336	**549,174**	208,000	**757,174**
Grant Mooney - Non-Executive Director	-	74,305	6,787	-	9,731	-	**90,823**	78,000	**168,823**
Eva Nordmark - Non-Executive Director	-	83,439	2,104	-	-	-	**85,543**	78,000	**163,543**
Martin Phillips - Chief Executive Officer	468,796	-	100,552	27,304	53,696	15,533	**665,881**	318,000	**983,881**
Total	**951,662**	**307,744**	**116,230**	**46,276**	**112,242**	**32,869**	**1,567,023**	**781,840**	**2,348,863**

Notes: All directors are paid under the terms agreed by way of Director's resolution.

(i) Terry Stinson was paid $6,787 (plus superannuation) as a member of the Audit and Risk Committee and Chair of the Remuneration Committee. Grant Mooney was paid $6,787 (plus superannuation) as Chair of Audit and Risk Committee and member of the Remuneration Committee. Eva Nordmark was paid $2,104 as a member of the Audit and Risk Committee. Martin Phillips includes $80,866 house benefit, $7,190 travel benefits and $12,496 health benefits.

(ii) Leave entitlements are the additional leave expense accrued or used for annual and long-service leave entitlements for the period.

(iii) Option and rights represent the fair value expensed for the year ended 30 June 2026; for options issued to Directors in November 2025 and the CEO in October 2025. See 'Additional disclosures relating to options, performance rights and shares' - table below for further details.

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	Short Term Benefits				Post-Employment	Long Term Benefits		Share based payments	Termination payments	Total including share based & termination payments
2025	**Salary**	**Directors Fees**	**Other (i)**	**Leave entitlements (ii)**	**Superannuation (v)**	**Long service Leave entitlements (ii)**	**Subtotal**	**Options and Rights (iii)**		**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Terry Stinson Chair		150,000	4,525	-	17,770		172,295	(1,041,000)	-	(868,705)
Mark Thompson Managing Director	465,774	-	20,000	(12,132)	29,930	14,520	**518,092**	(4,861,489)	-	**(4,343,397)**
Grant Mooney Non-Executive Director	-	66,364	6,787	-	8,412		**81,563**	(867,500)	-	**(785,937)**
Steve Lowe Non-Executive Director	-	66,364	6,787	-	8,412		**81,563**	(867,500)	-	**(785,937)**
Ola Rinnan Non-Executive Director (iv)	-	115,641	2,523	-	-		**118,164**	(867,500)		**(749,336)**
Martin Phillips Chief Executive Officer	428,549	-	126,765	36,622	89,975	17,825	**699,736**	(217,479)	-	**482,257**
Melissa Roberts Chief Financial Officer(vi)	205,349	-	20,000	(3,647)	22,447	(7,646)	**236,503**	(1,225,024)	157,961	**(830,560)**
Total	**1,099,672**	**398,369**	**187,387**	**20,843**	**176,946**	**24,699**	**1,907,916**	**(9,947,493)**	**157,961**	**(7,881,615)**

Notes: All directors are paid under the terms agreed by way of Director's resolution.

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(i) Grant Mooney was paid $4,525 (plus superannuation) as Chair of Remuneration Committee and $2,262 (plus superannuation) as a member of the Audit and Risk Committee. Steve Lowe was paid $4,525 (plus superannuation) as Chair of Audit and Risk Committee and $2,262 (plus superannuation) as a member of the Remuneration Committee. Terry Stinson was paid $4,525 (plus superannuation) as a member of both the Remuneration Committee and Audit and Risk Committee. Ola Rinnan was paid $2,523 as a member of the Remuneration Committee. Mark Thompson, Melissa Roberts and Martin Phillips were paid a $20,000 STI bonus relating to a FY24 Corporate development milestone. Martin Phillips also includes $71,392 house benefit, $11,741 travel benefits and $7,609 health benefits.

(ii) Leave entitlements are the additional leave expense accrued or used for annual and long-service leave entitlements for the period.

(iii) Option and rights represent the fair value expensed or credited for the year ended 30 June 2025; for options issued to Mark Thompson in November 2020; for options/performance rights issued to Martin Phillips in September 2020, November and December 2022; for options/performance rights issued to Melissa Roberts in September 2021, December 2022 and October 2023; for performance rights issued to the Chair and non-executive directors in November 2020.
The net share-based payment credit recognised for the financial year of $9,947,493 includes a reversal of $10,433,526 of the cumulative expense recognised in prior periods in relation to awards with non-market based vesting conditions that lapsed in the current period. See ‘Additional disclosures relating to options, performance rights and shares’ - table below for further details.

(iv) Ola Rinnan director fees includes $41,646 for representation on the subsidiary Talga AB board.

(v) Superannuation for Martin Phillips includes $17,800 Sweden public pension contributions required from employers.

(vi) Melissa Roberts ceased employment on 31 December 2024 and received a termination payment of $157,961.

Key Management Personnel Options and Rights 2026

30 June 2026	Balance at Beginning of Year	Granted as Remuneration During the Year	Exercised During the Year	Other changes During the Year (i)	Balance at End of Year	Vested During the Year	Vested and Exercisable
Terry Stinson	25,922	960,000	-	6,801	992,723	992,723	992,723
Mark Thompson	1,611,006	2,000,000	-	(1,524,420)	2,086,586	2,086,586	2,086,586
Grant Mooney	-	750,000	-	20,528	770,528	770,528	770,528
Eva Nordmark	-	750,000	-	-	750,000	750,000	750,000
Martin Phillips	1,091,244	2,000,000	(1,000,000)	(85,827)	2,005,417	2,005,417	2,005,417

(i) Terry Stinson - issue of 24,390 unlisted options as a result of Share Purchase Plan allotment and 8,333 unlisted attaching options as a result of participation in share placement less 25,922 expiring shareholder loyalty options. Mark Thompson - issue of 36,586 unlisted options as a result of Share Purchase Plan allotment and 50,000 unlisted attaching options as a result of participation in share placement less 1,611,006 expiring shareholder loyalty options. Grant Mooney - issue of 12,195 unlisted options as a result of Share Purchase Plan allotment and 8,333 unlisted attaching options as a result of participation in share placement. Martin Phillips - issue of 5,417 unlisted options as a result of Share Purchase Plan less 91,244 expiring shareholder loyalty options.

The number of ordinary shares in Talga held by Key Management Personnel of the Group during the financial year is as follows:

Key Management Personnel Shareholdings 2026

30 June 2026	Balance at Beginning of Year	Granted as Remuneration During the Year	Issued on Exercise of Options/rights During the Year	Other Changes During the Year (i)	Balance at End of the Year
Terry Stinson	207,372		-	73,780	281,152
Mark Thompson	13,038,036		-	73,171	13,111,207
Grant Mooney	-	-	-	49,390	49,390
Eva Nordmark	-	-	-	-	-
Martin Phillips	746,200	-	1,000,000	-	1,746,200

(i) Terry Stinson - 25,000 shares issued as result of participation in a placement and 48,780 shares as a result of share purchase plan allocation. Mark Thompson - 73,171 shares as a result of share purchase plan allocation. Grant Mooney - 25,000 shares issued as result of participation in a placement and 24,390 shares as a result of share purchase plan allocation.

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Key Management Personnel Shareholdings 2025

30 June 2025	Balance at Beginning of Year	Granted as Remuneration During the Year	Issued on Exercise of Options/rights During the Year	Other Changes During the Year	Balance at End of Year
Terry Stinson	207,372		-	-	207,372
Mark Thompson (i)	14,412,174		-	(1,374,138)	13,038,036
Grant Mooney	-	-	-	-	-
Stephen Lowe	2,107,273	-	-	-	2,107,273
Ola Rinnan	-	-	-	-	-
Martin Phillips (ii)	729,950	-	-	16,250	746,200
Melissa Roberts (iii)	-	-	333,000	(333,000)	-

(i) This is the net of 1,524,138 shares relinquished as part of a Deed of Security in connection with a margin loan agreement and 150,0
shares issued as result of participation in a placement.
(ii) Shares issued as result of participation in a placement.
(iii) Melissa Roberts terminated on 31 December 2024.

Share based payments

The following table summarises the value of options or rights granted, expensed, and exercised during the financial year, in relation to options or rights granted to Key Management Personnel as part of their remuneration:

	Value of options or performance rights		
	Granted in the year $	Expensed in the year $	Exercised in the year $
Terry Stinson	99,840	99,840	-
Mark Thompson	208,000	208,000	-
Grant Mooney	78,000	78,000	-
Eva Nordmark	78,000	78,000	-
Martin Phillips	318,000	318,000	375,000

Additional disclosures relating to options, performance rights and shares

The table below discloses the number of share options and performance rights as at 30 June 2026 granted to Key Management Personnel as remuneration as well as the number of options that vested or lapsed during this year.

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. It was determined that the options would not be subject to performance conditions with the exercise price set at more than double the share price at award date. The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the options seeks to align the efforts of the KMPs in seeking to achieve growth of the share price and in the creation of shareholder value as well as a means of conserving the Company's available cash reserves.

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As at 30 June 2026	Grant date	Number of options or performance rights awarded	Fair value per option or performance right at award date $	Vesting date	Exercise price $	Expiry date	No. vested in the year	No. lapsed in the year
Martin Phillips (i)	14/11/2022	500,000	1.3900	31/12/2023	-	31/12/2025	-	-
Martin Phillips (i)	14/11/2022	500,000	1.3900	30/6/2025	-	31/12/2025	-	-
Mark Thompson (ii)	21/11/2025	2,000,000	0.1040	21/11/2025	1.00	21/11/2028	2,000,000	-
Terry Stinson (ii)	21/11/2025	960,000	0.1040	21/11/2025	1.00	21/11/2028	960,000	-
Grant Mooney (ii)	21/11/2025	750,000	0.1040	21/11/2025	1.00	21/11/2028	750,000	-
Eva Nordmark (ii)	21/11/2025	750,000	0.1040	21/11/2025	1.00	21/11/2028	750,000	-
Martin Phillips	31/10/2025	2,000,000	0.1590	31/10/2025	1.00	31/10/2028	2,000,000	-

(i) These options were exercised during the year.

(ii) These performance rights were approved at the 21 November 2025 shareholder meeting.

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Financial performance and financial position

As a mineral explorer and advanced material developer of functional graphene and graphite enhanced products, the Group does not currently have any material operational revenue. Other income during the year consisted of interest, IUK Grants, and R&D refunds.

The financial results of the Group as at 30 June 2026 are:

	2026	2025	2024	2023	2022
Cash and cash equivalents ($) (i)	18,665,655	13,184,029	14,095,223	38,226,375	13,012,565
Net assets ($)	44,845,808	44,599,091	40,228,747	56,984,362	26,647,577
Income ($)	2,017,019	1,773,346	1,584,952	1,993,900	664,580
Net loss after tax ($)	(19,456,609)	(16,728,019)	(38,256,533)	(43,356,067)	(36,799,320)
Loss per share (cents per share)	(4.03)	(3.90)	(10.28)	(12.00)	(12.10)
Share Price ($)	0.20	0.39	0.58	1.48	1.02
Dividend ($)	-	-	-	-	

(i) $7,460,739 of the cash at bank balance for the year ended 30 June 2026 is restricted for use under the Industrial Leap 'Industriklivet' grant received from the Swedish Energy Agency. (refer to note 4 & 6).

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group paid a premium of $208,000 (2025: $178,000) to insure directors and officers of the Group. The directors and officers have indemnities in place with the Group whereby the Company has agreed to indemnify the directors and officers in respect of certain liabilities incurred by the director or officer while acting as a director of the Group and to insure the director or officer against certain risks the director or officer is exposed to as an officer of the Group.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2026 has been received and immediately follows the Directors' Report. There were $110,851 (2025: $147,219) fees paid to Ernst and Young for non-audit services provided during the year ended 30 June 2026. The directors are satisfied that the provisions of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed did not compromise the external auditor's independence.

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CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to principles of sound corporate governance.

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Talga is in compliance with those guidelines which are of critical importance to the commercial operation and commensurate of an ASX listed company of its size. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Group.

This report is made in accordance with a resolution of the directors.

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Mark Thompson

Managing Director

Perth, Western Australia
30 September 2026

Ernst & Young
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Auditor's independence declaration to the directors of Talga Group Ltd

As lead auditor for the audit of the financial report of Talga Group Ltd for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Talga Group Ltd and the entities it controlled during the financial year.

Ernst & Young

T S Hammond
Partner
30 September 2026

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Consolidated statement of profit or loss and other comprehensive income

	Note	2026 $	2025 $
Revenues from ordinary activities	2	200,727	106,168
Other Income	2	1,816,292	1,667,178
Expenses			
Administration expenses		(3,768,828)	(4,528,957)
Compliance and regulatory expenses		(1,003,675)	(1,022,799)
Depreciation expense		(2,498,166)	(3,514,870)
Write down of acquisition costs		-	(274,948)
Impairment expenses	7	(1,310,793)	-
Employee benefits expenses and Directors Fees		(2,742,412)	(3,865,375)
Exploration, evaluation and exploitation expenditure		(482,384)	(1,063,122)
Anode production and ore storage costs		(3,997,658)	(8,695,201)
Research and product development		(4,646,987)	(5,404,462)
FX realised and unrealised gain		(163,563)	306,239
Share based payments	26	(859,162)	9,562,130
(Loss) before income tax expense		**(19,456,609)**	**(16,728,019)**
Income tax expense	3	-	-
Net (loss) attributable to members of the parent entity		**(19,456,609)**	**(16,728,019)**
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(2,499,403)	3,321,433
Total other comprehensive (loss) / income for the year		**(2,499,403)**	**3,321,433**
Total comprehensive (loss) for the year		**(21,956,012)**	**(13,406,586)**
Total comprehensive (loss) attributable to members of the parent entity		**(21,956,012)**	**(13,406,586)**
Basic loss per share (cents per share)	16	(4.03)	(3.90)
Diluted loss per share (cents per share)	16	(4.03)	(3.90)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated statement of financial position

	Note	2026 $	2025 $
Current Assets			
Cash and cash equivalents	4	18,665,655	13,184,029
Trade and other receivables	5	1,503,191	1,542,882
Prepayments		375,918	319,357
Total Current Assets		**20,544,764**	**15,046,268**
Non-Current Assets			
Other receivables	6	299,541	318,378
Property, plant and equipment	7	37,081,915	33,250,309
Right of use assets	8	490,637	1,032,877
Total Non-Current Assets		**37,872,093**	**34,601,564**
TOTAL ASSETS		**58,416,857**	**49,647,832**
Current Liabilities			
Lease Liability	8	457,404	540,236
Deferred income - Government Grant	9	6,475,529	-
Trade and other payables	10	4,875,823	2,380,881
Provisions	11	1,707,570	1,583,847
Total Current Liabilities		**13,516,326**	**4,504,964**
Non-Current Liabilities			
Lease liability	8	54,723	543,777
Total Non-Current Liabilities		**54,723**	**543,777**
TOTAL LIABILITIES		**13,571,049**	**5,048,741**
NET ASSETS		**44,845,808**	**44,599,091**
Equity			
Issued capital	12	271,001,793	249,658,226
Reserves	13	14,614,393	16,254,634
Accumulated losses	14	(240,770,378)	(221,313,769)
TOTAL EQUITY		**44,845,808**	**44,599,091**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity

	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2024	**222,319,166**	**(204,585,750)**	**22,495,330**	**40,228,746**
Comprehensive income:				
Loss after income tax for the year	**-**	**(16,728,019)**	**-**	**(16,728,019)**
Exchange differences on translation of foreign operations	-	-	3,321,433	**3,321,433**
Total comprehensive income/ (loss) for the year	**-**	**(16,728,019)**	**3,321,433**	**(13,406,586)**
Transactions with owners in their capacity as owners:				
Issue of share capital	28,514,998	-	-	**28,514,998**
Capital raising costs	(1,175,938)	-	-	**(1,175,938)**
Share based compensation	-	-	(9,562,129)	**(9,562,129)**
At 30 June 2025	**249,658,226**	**(221,313,769)**	**16,254,634**	**44,599,091**

	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2025	**249,658,226**	**(221,313,769)**	**16,254,634**	**44,599,091**
Comprehensive income:				
Loss after income tax for the year	**-**	**(19,456,609)**	**-**	**(19,456,609)**
Exchange differences on translation of foreign operations	-	-	(2,499,403)	**(2,499,403)**
Total comprehensive income/ (loss) for the year	**-**	**(19,456,609)**	**(2,499,403)**	**(21,956,012)**
Transactions with owners in their capacity as owners:				
Issue of share capital	22,635,300	-	-	**22,635,300**
Capital raising costs	(1,291,733)	-	-	**(1,291,733)**
Share based compensation	-	-	859,162	**859,162**
At 30 June 2026	**271,001,793**	**(240,770,378)**	**14,614,393**	**44,845,808**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

	Note	2026 $	2025 $
Cash Flows from Operating Activities			
Receipts from Customers		194,992	120,633
Payments for exploration, evaluation & exploitation, trial mine and anode production		(6,681,395)	(11,332,185)
Payments to suppliers, contractors and employees		(6,706,367)	(7,162,755)
German and UK Operations including R&D		(4,199,551)	(5,862,261)
Interest received		305,528	490,496
Interest paid on leases		(67,171)	(80,662)
Other income – grants		1,134,030	153,851
Net cash flows (used in) operating activities	15	**(16,019,934)**	**(23,672,883)**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(11,311,116)	(3,832,044)
Proceeds from sale of property, plant and equipment		166,979	-
Capital Grants received		13,368,320	-
Net cash from / (used in) investing activities		**2,224,183**	**(3,832,044)**
Cash Flows from Financing Activities			
Proceeds from issue of securities		21,890,082	28,382,909
Payment for costs of issue of securities		(1,274,070)	(1,060,848)
Proceeds from exercise of share options		328,349	162,090
Lease payments		(643,481)	(872,177)
Net cash flows from financing activities		**20,300,880**	**26,611,974**
Net (decrease) / increase in cash and cash equivalents		**6,505,129**	**(892,953)**
Cash and cash equivalents at the beginning of the financial year		13,184,029	14,095,223
Net foreign exchange differences		(1,023,503)	(18,241)
Cash and cash equivalents at the end of the financial year	4	**18,665,655**	**13,184,029**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements

for the year ended 30 June 2026

1. Material accounting policy information

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Group complies with all International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board in their entirety.

The financial report covers the parent Talga Group Ltd and Controlled Entities (the “Group”). Talga Group Ltd is a for profit public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Going concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has cash and cash equivalents of $18.7 million (2025: $13.2 million) and net current assets of $7.0 million (2025: $10.5 million) as at 30 June 2026. The Group made a net loss of $19.4 million (2025: $16.7 million) and has incurred net operating cash outflows of $16.0 million (2025: $23.7 million) for the year ended 30 June 2026. The Group’s cash and cash equivalents at the date of this report totaled approximately $10.8 million, of which $5.9 million is restricted for use under the Industrial Leap 'Industriklivet' grant received from the Swedish Energy Agency during the period (refer to note 9).

The Directors acknowledge, having regard to the Group’s cashflow forecast for the 15-month period ended 30 September 2027, that further funding, in the form of debt and/or equity raisings will be required in order to progress the Group’s planned objectives, including the development of the Vittangi Anode Project.

The Directors consider there is a reasonable basis to conclude that further funds can be raised when required, given the Group’s historical capital raising and strong shareholder support.

As at the date of this report, the Directors are satisfied there is a reasonable basis that the Group will be able to achieve the matters set out above, including the securing of funding for the Vittangi Anode Project, and thus it is appropriate to prepare the financial statements on a going concern basis.

If, however the Group is unable to achieve these matters, then there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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a. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e., parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired, and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the profit or loss.

b. Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs are written off in the year they are incurred. Costs of acquisition are capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated acquisition costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise, such expenditure is classified as part of the cost of production or written off where production has not commenced.

c. Property, Plant and Equipment

Property, plant and equipment are initially recognised at acquisition cost (including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management) and subsequently measured using the cost model (cost less subsequent depreciation and impairment losses).

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The following useful lives are applied:

Operating Equipment:	3-20 years
Office equipment:	1-15 years
Vehicles:	5-8 years
Buildings:	10-40 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Assets under construction

Assets included in assets under construction (AUC) represent capital projects that are not yet ready for their intended use. They are reclassified to other categories in property, plant and equipment when the asset is available and ready for use in the location and condition necessary for it to be capable of operating in the manner intended. Expenditure is capitalised as an AUC when it is probable that future economic benefits will flow to the Group and the expenditure is directly attributable to constructing or preparing the asset. AUC are carried at cost, less any impairment losses and not depreciated until the asset is ready for its intended use.

d. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

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Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL). Classifications are determined by both:
- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

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Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the Statement of Financial Position.

f. Trade and Other Receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 -90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 1(d).

g. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST) and Value Added Tax (VAT).

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h. Grants

Government and other grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited against the cost of the asset and recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

i. Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet ready for use are tested for impairment annually regardless of whether there are impairment indicators or not.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation increase.

j. Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the Australian Tax Office (ATO) or relevant Tax Authority. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the ATO or other Tax Authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO or relevant Tax Authority are classified as operating cash flows.

k. Taxation

The Group adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit/loss from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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l. Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

m. Share Based Payments

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting period. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments used, if it is determined the fair value of the goods and services cannot be reliably measured and are recorded at the date the goods or services are received.

Fair value is measured by use of a Black - Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

The value of shares issued to employees financed by way of a non-recourse loan under the employee Share Plan is recognised with a corresponding increase in equity when the Company receives funds from either the employees repaying the loan or upon the loan termination. All shares issued under the plan with non-recourse loans are considered, for accounting purposes, to be options.

n. Issued Capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising from the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

o. Earnings Per Share

Basic earnings per share is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for a bonus element.

Diluted EPS is calculated as net earnings attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

p. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates - Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. If impairment triggers are identified, then recoverable amounts of relevant assets are reassessed using value- in-use calculations or fair value assessments which incorporate various key assumptions.

Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors' understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate. As at 30 June 2026, the Group had no environmental rehabilitation issues to provide for.

Share based payments

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods or services received in exchange if it can be reliably measured. If the fair value of the goods or services cannot be reliably measured, the costs is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date, if any, is disclosed in note 26.

Deferred tax

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset, other than to offset existing deferred tax liabilities in the same jurisdiction, because recovery of the tax losses is not yet considered probable (refer note 3).

q. Application of new and revised Accounting Standards

New and Amended Accounting Policies Adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1

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July 2025. The adoption of any changes to accounting standards and interpretations did not have any material impact on the financial performance of the Group. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

The amendments to AASB 101 Presentation of Financial Statements affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.

The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements - Amends: AASB 107 Statement of Cash Flows to require entities to provide qualitative and quantitative information about its supplier finance arrangements; AASB 7 Financial Instruments:

Disclosures by adding supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The Group does not currently have Supplier Finance Arrangements.

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability - Amends AASB 121 The Effects of Changes in Foreign Exchange Rates by specifying how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The Group does not currently have currencies not exchangeable at the measurement date.

AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements

AASB 2026-1 amends AASB 136 Impairment of Assets and AASB 137 Provisions, Contingent Liabilities and Contingent Assets to provide additional illustrative examples on how entities apply the requirements of those Standards in the presence of uncertainty. The amendments enhance accompanying guidance to demonstrate how uncertainties are reflected in measurement and recognition outcomes in financial statements.

Standards issued but not yet effective

The Group is yet to assess in detail the potential impacts on its consolidated financial statements of the following:

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended) – effective date 1 January 2028 –

Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.

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These amendments may impact the Group's consolidated financial statements in future periods should such transactions arise;

AASB 18 Presentation and Disclosure in Financial Statements – effective date 1 January 2027 –

AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements and is expected to first apply to the Company for the year ending 30 June 2028. The standard introduces new requirements for the classification of income and expenses, required subtotals in the statement of profit and loss, disclosures for management-defined performance measures, and principles for aggregation and disaggregation. AASB 18 is not expected to affect the recognition or measurement of assets, liabilities, income, or expenses. The Company is assessing the impact of the new standard on the presentation of the Company's primary financial statements and related disclosures.

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Foreign Currency

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The functional currency of the Consolidated Entity's subsidiaries, Talga Mining Pty Ltd, is Australian dollars, Talga AB and Talga Battery Metals AB, is the Swedish Krona (SEK), Talga Advanced Materials GmbH, is the Euro (EUR) and Talga Technologies Limited is Great Britain Pounds (GBP) and Talga Anode UK Limited are in (GBP).

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- Investments at fair value through other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the

reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

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r. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Talga Group Ltd) and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly, or indirectly, to the Group are presented as “non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non- controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling

interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

s. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1: Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities

that the entity can access at the measurement date.

Level 2: Measurements based on inputs other than quoted prices included in Level 1 that are observable for the

asset or liability, either directly or indirectly.

Level 3: Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e., transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

t. Leases – The Group as Lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- Fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

u. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Employee Entitlements

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave. Liabilities in respect of employees' services rendered are not expected to be wholly settled within one year after the end of the period in which the employees render the related services are measured at the present value of the estimated future cash outflow to the employees. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are measured at the amount due to be paid.

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2. REVENUE AND OTHER INCOME

	2026 $	2025 $
Product Sales	200,727	106,168
Total revenues from ordinary activities	**200,727**	**106,168**
Interest revenue	385,361	499,294
Research and development refund	272,535	200,290
Grants - Research and development projects	1,105,732	967,594
Gain on sale of property, plant and equipment	52,664	-
Total other income	**1,816,292**	**1,667,178**

3. INCOME TAXES

Prima facie income tax benefit at 25% (2025: 25%) on loss from ordinary activities is reconciled to the income tax provided in the financial statements.

	2026 $	2025 $
(a) Income tax		
Loss before income tax	**(19,456,608)**	**(16,728,019)**
Current Tax Expense / (Benefit) at 25%	(4,864,152)	(4,182,005)
Tax effect of:		
Differences in overseas tax rates	780,691	1,044,705
Expenses not allowed / income not assessable	244,771	(2,388,488)
Section 40-880 deduction (capital raise costs through equity)	(64,587)	(58,797)
Future income tax benefit not brought to account	3,903,277	5,584,585
Income tax attributable to operating losses	**-**	**-**
(b) Deferred tax assets		
Australian and other overseas tax losses	36,305,794	32,402,149
Provisions net of prepayments	155,199	144,828
Section 40-880 deduction	805,009	704,135
Other deferred amounts	606,067	508,197
Accruals	22,604	25,887
Unrecognised deferred tax assets relating to the above temporary differences	**37,894,673**	**33,785,196**
(c) Deferred tax liabilities		
Right of use assets	(33,737)	(51,645)
Prepayments	(196,661)	(147,364)
Unrecognised deferred tax liabilities relating to the above temporary differences	**(230,398)**	**(199,009)**

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- The Group continues to comply with the conditions in deductibility imposed by the Law; and
- No change in tax legislation adversely affects the Group in realising the benefits from the deductions or the losses.

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The estimated foreign (German/Swedish/UK) cumulative tax losses are approximately $144 million and the deferred tax benefit from the cumulative foreign tax losses not recognised, as their realisation is not probable, is approximately $28.4 million (based on a German/Swedish/UK tax rate of 15.0%/20.6%/19.0%).

4. CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank and on deposits (i)	**18,665,655**	**13,184,029**

(i) $7,460,739 of the cash at bank balance is restricted for use under the Industrial Leap 'Industriklivet' grant received from the Swedish Energy Agency during the period (refer to note 9). These funds are only available for use on the approved project expenditure to which the grant relates and are not available to fund general operations. As at 30 June 2026, the Group received interest of AUD 22,162 (SEK 148,407) on the Industrial Leap 'Industriklivet' grant funds held.

5. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
CURRENT		
Trade debtors and grant receivables	52,105	18,828
R&D refund receivable	320,255	559,376
GST / VAT receivable	1,130,831	964,678
Total trade and other receivables	**1,503,191**	**1,542,882**

6. OTHER RECEIVABLES

	2026 $	2025 $
NON CURRENT		
Security Term Deposit	274,590	291,957
Environmental Bond	24,951	26,421
Total security deposits	**299,541**	**318,378**

Security term deposit relates to a term deposit taken out as security for rent of the Perth head office and German pilot plant facility. The Environmental Bond (SEK 150,063) relates to term deposits taken out as security for the Vittangi Trial Mine.

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7. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment (i)	Land and Buildings (ii)	Assets under construction (iii)	Total
Net book value, as at 1 July 2025	**12,399,030**	**5,020,710**	**15,830,569**	**33,250,309**
Additions	164,033	1,044,850	13,875,433	15,084,317
Disposals	(120,848)	-	-	(120,848)
Government grant credited	-	-	(5,289,879)	(5,289,879)
Impairment of plant and equipment	(1,310,793)	-	-	(1,310,793)
Depreciation charge	(1,553,378)	(442,375)	-	(1,995,753)
Effect of foreign currency exchange differences	(1,016,953)	(339,601)	(1,178,883)	(2,535,438)
Net book value, as at 30 June 2026	**8,561,091**	**5,283,584**	**23,237,240**	**37,081,915**
Cost	14,808,341	6,973,934	23,237,240	45,019,515
Accumulated depreciation	(6,247,250)	(1,690,350)	-	(7,937,600)

	Plant and Equipment	Land and Buildings	Assets under construction	Total
Net book value, as at 1 July 2024	**13,120,665**	**5,052,194**	**10,122,248**	**28,295,107**
Additions	436,795	-	3,938,986	4,375,781
Depreciation charge	(1,980,048)	(668,127)	-	(2,648,175)
Effect of foreign currency exchange differences	821,618	636,643	1,769,335	3,227,596
Net book value, as at 30 June 2025	**12,399,030**	**5,020,710**	**15,830,569**	**33,250,309**
Cost	20,168,932	6,663,534	15,830,569	42,663,035
Accumulated depreciation	(7,769,902)	(1,642,824)	-	(9,412,726)

(i) The Group's plant and equipment primarily includes the EVA anode plant in Sweden and the fixed assets associated with research and development activities in the UK and Sweden. During the period, the Group's technology division has been rationalised with the decision to concentrate R&D activities in the UK and Sweden and the German facility to wind down. All of the German assets have been reviewed, some transferring to Sweden and the UK, others identified for sale whilst the rest have been written off. This rationalisation and reorganisation resulted in a write down of the German facility assets by $1,310,793 to their recoverable amount. The recoverable amount of the assets was determined based on their estimated fair value less costs of disposal (Level 3 in the fair value hierarchy), primarily on the basis of indicative offers received for the core assets.

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(ii) Land and buildings include the land acquired for the mine site and plant for the Vittangi Anode Project. Under the purchase agreement for the land in Lulea on which the commercial battery anode refinery plant is planned to be located, Talga is required to have commenced foundation works for either the Anode Plant or the Purification Plant no later than 1 June 2027. This milestone is currently incorporated into the project schedule. Should the project schedule change, discussions with the relevant parties regarding an extension of the agreement will be initiated.

(iii) Assets under construction (AUC) relate to the Vittangi Anode Project, including early ground works, long-lead items, and engineering design, incorporating work performed in the current period under the Industrial Leap 'Industriklivet' grant program.

Assets relating to the Vittangi Anode Project totalled $35,861,022 as at 30 June 2026 and include the EVA anode plant (included in plant and equipment), land and buildings and assets under construction.

Other than the German technology assets included in plant and equipment, no indicators of impairment were identified for the Group's property, plant and equipment.

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8. LEASES

	Right of use assets
Net book value, as at 1 July 2025	**1,032,877**
Additions	-
Depreciation charge	(502,413)
Effect of foreign currency exchange differences	(39,827)
Net book value, as at 30 June 2026	**490,637**
Cost	2,272,126
Accumulated depreciation	(1,781,489)

	Right of use assets
Net book value, as at 1 July 2024	**1,386,071**
Additions	447,456
Depreciation charge	(866,695)
Effect of foreign currency exchange differences	66,045
Net book value, as at 30 June 2025	**1,032,877**
Cost	3,117,175
Accumulated depreciation	(2,084,298)

Liabilities at the end of period in relation to right of use assets are:	2026	2025
	$	$
Current Lease Liability	457,404	540,236
Non-current Lease Liability	54,723	543,777

Amounts recognised in statement of profit or loss for the period in relation to right of use assets and lease liabilities are:	2026	2025
	$	$
Depreciation right-of-use assets	502,413	866,695
Interest expense	67,172	80,662
Expense relating to short-term leases (included in administration expenses) (i)	1,288,318	253,693
Expense relating to leases of low value assets (included in administration expenses)	155,415	53,802

The lease principal payments totaling $643,481 (2025: $872,177) during the period are recorded in the statement of cashflows.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 4% - 6.9%. The incremental borrowing rates was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of $67,172 (2025: $80,662) is included in administration expenses in the consolidated statement of profit or loss and other comprehensive income.

(i) Expenses relating to short-term leases include the EVA Plant lease which expired on 31 December 2025. The lease was prolonged until 31 December 2026 for 12 months. The Group recognised expenses relating to this short-term lease (included in administration expenses) of AUD 898,208 (SEK 5,665,494).

9. DEFERRED INCOME

	2026 $	2025 $
Balance at the start of the financial period	**-**	**-**
Government grants received	13,410,669	-
Released to income statement - administration expenses	(181,967)	-
Released to assets under construction	(5,289,879)	-
Effect of foreign currency exchange differences	(1,463,294)	-
Balance at the end of the financial period	**6,475,529**	**-**
Current	**6,475,529**	**-**
Non-current	**-**	**-**

On 15 October 2025, the Group received grant support from the Swedish Energy Agency (Energimyndigheten) and the EU through "Next Generation EU" within the framework of Industrial Leap "Industriklivet", the Swedish government's long-term initiative to support climate change – part of the EU's Recovery and Resilience Facility (RRF). A total subsidy of AUD13,410,669 (SEK 82,639,076) was granted to Talga AB (wholly owned subsidiary of the Company) covering the period 1 June 2025–30 June 2026, to partly fund the "Sustainable, low emission active anode material made from natural and recycled graphite" project which has a total value of SEK 190 million (A$30.8 million). Following two approved extensions, the project end date has now been extended to June 30, 2027. Any funds received that have not been used by Talga AB for this purpose shall be repaid to the Swedish Energy Agency, conditional upon filing a "Final report" inclusive of an auditor's certificate by 25 August 2027 confirming compliance with the terms of the grant. During the project completion, the deferred government grant income will be deducted from the carrying amount of the asset. As at 30 June 2026, the Group deducted grant funds of AUD 5,289,879 (SEK 43,360,981) against the carrying amount of Construction in Progress, which included accrued costs of AUD 963,094 (SEK 6,449,032). See note 7.

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10. TRADE AND OTHER PAYABLES

	2026 $	2025 $
CURRENT PAYABLES		
Trade creditors	4,268,126	1,481,685
Accruals	332,129	568,318
Superannuation / PAYG payable	275,568	330,878
Total trade and other payables	**4,875,823**	**2,380,881**

11. PROVISIONS – CURRENT LIABILITIES

	2026 $	2025 $
Provision for annual leave	1,433,687	1,362,979
Provision for long service leave	273,883	220,868
Total provisions - current liabilities	**1,707,570**	**1,583,847**

12. ISSUED CAPITAL

	2026 $	2025 $
Issued and fully paid	**271,001,793**	**249,658,226**

	2026 Number	2026 $	2025 Number	2025 $
Fully Paid Ordinary Shares	**510,926,796**	**271,001,793**	**454,593,026**	**249,658,226**

Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issued Price	$
Balance 30 June 2024		**379,754,172**		**222,319,166**
Placement	7/08/2024	25,000,000	0.38	9,500,000
Share Purchase Offer	29/08/2024	23,684,674	0.38	9,000,000
Exercise of loyalty options	21/10/2024	11,455	0.55	6,300
Exercise of loyalty options	20/11/2024	217,657	0.55	119,711
Exercise of loyalty options	20/12/2024	29,075	0.55	15,991
Exercise of loyalty options	20/01/2025	5,588	0.55	3,073
Exercise of loyalty options	18/02/2025	18,617	0.55	10,239
Exercise of loyalty options	2/04/2025	2,546	0.55	1,400
Exercise of loyalty options	22/04/2025	9,770	0.55	5,373
Placement	27/05/2025	24,632,272	0.40	9,852,909
Exercise of Performance Rights	12/07/2024	333,000	-	-
Exercise of Performance Rights	28/10/2024	216,300	-	-
Exercise of Performance Rights	20/12/2024	83,000	-	-
Exercise of Performance Rights	20/01/2025	124,400	-	-
Exercise of Performance Rights	18/02/2025	131,000	-	-

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Exercise of Performance Rights	11/03/2025	147,300	-	-
Exercise of Performance Rights	28/03/2025	71,300	-	-
Exercise of Performance Rights	29/04/2025	60,900	-	-
Exercise of Performance Rights	5/06/2025	60,000	-	-
Less transaction costs				(1,175,936)
Balance 30 June 2025		**454,593,026**		**249,658,226**
Placement	10/07/2025	367,728	0.40	147,091
Exercise of loyalty options	22/07/2025	2,942	0.55	1,618
Exercise of loyalty options	19/09/2025	594,056	0.55	326,731
Issue of shares in lieu of consulting fees	20/10/2025	250,000	0.40	100,000
Placement	17/12/2025	35,365,860	0.41	14,500,003
Share purchase plan	30/01/2026	17,738,987	0.41	7,273,000
Land acquisition Sweden Vittangi project	24/02/2026	90,000	1.35	121,939
Land acquisition Sweden Vittangi project	4/03/2026	414,897	0.40	164,918
Exercise of Performance Rights	29/07/2025	333,000	-	-
Exercise of Performance Rights	26/08/2025	20,600	-	-
Exercise of Performance Rights	1/10/2025	9,800	-	-
Exercise of Performance Rights	21/10/2025	100,000	-	-
Exercise of Performance Rights	14/11/2025	116,300	-	-
Exercise of Performance Rights	1/12/2025	12,100	-	-
Exercise of Performance Rights	23/12/2025	900,000	-	-
Exercise of Performance Rights	23/12/2025	17,500	-	-
Less transaction costs				(1,291,733)
Balance 30 June 2026		**510,926,796**		**271,001,793**

Capital Management

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. The Group's capital includes ordinary share capital. There are no externally imposed capital requirements.

The working capital position of the Group as at 30 June 2026 is as follows:

	2026	**2025**
	$	**$**
Cash and cash equivalents	18,665,655	13,184,029
Trade and other receivables	1,503,191	1,542,882
Prepayments	375,918	319,357
Trade and other payables	(4,875,823)	(2,380,881)
Lease Liability	(457,404)	(540,236)
Deferred income - Government Grant	(6,475,529)	-
Provisions – employee entitlements	(1,707,570)	(1,583,847)
Total working capital position	**7,028,438**	**10,541,304**

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13. RESERVES

	2026 $	2025 $
(a) Unlisted option reserve	12,659,095	11,799,933
(b) Listed option reserve	843,939	843,939
(c) Foreign currency reserve	1,130,016	3,629,419
(d) Financial assets reserve	(18,657)	(18,657)
Total reserves	**14,614,393**	**16,254,634**

	2026 $	2025 $
(a) UNLISTED OPTION AND PERFORMANCE RIGHTS RESERVE		
Balance at the start of the financial year	**11,799,933**	**21,362,063**
Share-based payments (credit) / expense	859,162	(9,562,130)
Balance at the end of the financial year	**12,659,095**	**11,799,933**

The unlisted options and performance rights reserve is to record the value of equity benefits provided to employees and Directors as part of their remuneration.

	2026 $	2025 $
(b) LISTED OPTION RESERVE		
Balance at the start of the financial year	**843,939**	**843,939**
Movement	-	-
Balance at the end of the financial year	**843,939**	**843,939**

The listed option reserve represents the value of 45.5m options issued to shareholders in 20 June 2016 for $0.02 which were exercisable at $0.45 and expired in December 2018.

	2026 $	2025 $
(c) FOREIGN CURRENCY RESERVE		
Balance at the beginning of the financial year	**3,629,419**	**307,985**
Movement during the year	(2,499,403)	3,321,434
Balance at the end of the financial year	**1,130,016**	**3,629,419**

The foreign currency translation reserve represents exchange differences arising from the translation of non-AU dollar functional currency operations within the Group into Australian dollars.

	2026 $	2025 $
(d) FINANCIAL ASSET RESERVE		
Balance at the start of the financial year	**(18,657)**	**(18,657)**
Movement during the year	-	-
Balance at the end of the financial year	**(18,657)**	**(18,657)**
Total reserves	**14,614,393**	**16,254,634**

The financial asset reserve represents the revaluation of investments in shares recognised through other comprehensive income.

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14. ACCUMULATED LOSSES

	2026 $	2025 $
Balance at the beginning of this year	**(221,313,769)**	**(204,585,750)**
(Loss) for the year	(19,456,609)	(16,728,019)
Balance at the end of the financial year	**(240,770,378)**	**(221,313,769)**

15. CASHFLOW INFORMATION

	2026 $	2025 $
Reconciliation of cash flows from operating activities with loss after income tax		
Loss after income tax	**(19,456,609)**	**(16,728,019)**
Non-cash flows in loss for the year:		
- Deferred income government grant released to income statement	(181,967)	-
- Depreciation expense - office and field equipment and right of use assets	2,498,166	3,514,870
- Impairment expenses	1,310,793	-
- Share based payments	859,162	(9,562,130)
- Foreign exchange gains / (losses)	163,563	(306,239)
- Other non-cash items	-	(13,367)
Changes in assets and liabilities		
- Decrease (increase) in trade and other receivables	58,528	(542,146)
- Increase (decrease) in trade and other payables	(1,338,732)	(654,201)
- Decrease (increase) in prepayments	(56,561)	425,662
- Increase (decrease) in provisions	123,723	192,687
Net cash outflows from Operating Activities	**(16,019,934)**	**(23,672,883)**

Non-Cash Financing and Investing Activities
There have been non-cash financing and investing activities for the 2026 financial year where shares were issued after cashless exercise of 1,509,300 performance rights. There were no non-cash financing and investing activities for the 2025 financial year.

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16. LOSS PER SHARE

	2026 $	2025 $
Net loss used in calculating the basic loss per share	**(19,456,609)**	**(16,728,019)**

	2026 #	2025 #
Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	482,941,841	428,807,263
Basic loss per share (cents per share)	(4.03)	(3.90)
Diluted loss per share (cents per share)	(4.03)	(3.90)

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the Group has incurred a loss for the year, and therefore those options are anti-dilutive. See Note 26 for unlisted options and performance rights that could potentially dilute basic earnings per share in the future, but not included in the calculation of diluted earnings per share.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Remuneration of Director and Key Management Personnel

The aggregate compensation paid to directors and other KMP of the Group and recognised as an expense during the reporting period is set out below:

	2026 $	2025 $
Short-term employee benefits	1,421,912	1,706,271
Long-term employee benefits	32,869	24,699
Post-employment benefits	112,242	176,946
Termination payments	-	157,961
Share-based payments	781,840	(9,947,493)
Total	**2,348,863**	**(7,881,616)**

b. Remuneration Options and Performance Rights: Granted and Vested during the year

The total expense / (credit) recognised in 2026 financial year for the options and performance rights issued to Key Management Personnel was $781,840 (2025: $(9,947,492)).

During the year ended 30 June 2026, new performance rights or options granted to Directors or Key Management Personnel were as follows:

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Compensation	Granted	Fair value per option / right $	Exercise price $	Grant date	Vesting date	Expiry date
Key Management Personnel	4,460,000	0.1040	1.00	21/11/2025	21/11/2025	21/11/2028
Key Management Personnel	2,000,000	0.1590	1.00	31/10/2025	31/10/2025	31/10/2028

c. Related Party Transactions

No related party transactions occurred during the current or prior financial year.

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18. AUDITOR'S REMUNERATION

	2026 $	2025 $
The auditor of Talga Group Ltd is Ernst & Young (Australia).		
Fees to Ernst & Young (Australia)		
- Fees for auditing the statutory financial report of the parent covering the group	149,165	132,998
- Fees for other services - taxation advice and compliance services	32,129	100,782
Total Fees to Ernst & Young (Australia)	**181,294**	**233,780**
Fees to other overseas member firms of Ernst & Young (Australia)		
- Fees for auditing the financial report of any controlled entities	40,753	38,056
- Fees for other services - taxation advice and compliance services	78,722	46,437
Total fees to overseas member firms of Ernst & Young (Australia)	**119,475**	**84,493**
Total auditor's remuneration	**300,769**	**318,273**

19. COMMITMENTS

During the year, the Group honored its 2026 financial year commitments for the acquisition of property, plant and equipment. The Group does not have any minimum exploration or development commitments.

20. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist of deposits with banks, receivables, payables, and lease liabilities. No financial derivatives are held.

Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments is interest rate risk.

Interest Rate Risk

Interest rate risk is managed by obtaining the best commercial deposit interest rates available in the market by the major Australian Financial Institutions.

Credit Risk Exposures

Credit risk represents the loss that would be recognised if the counterparties default on their contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk to any single counterparty or any group of counterparties having similar characteristics. The credit risk on financial assets of the Group, which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

Cash at bank and short-term deposits are held in financial institutions which must have a minimum AA2 rating.

	2026 $	2025 $
Trade and other current receivables		
Group 1	-	-
Group 2	1,503,191	1,542,883
Group 3	-	-
Total trade and other current receivables	**1,503,191**	**1,542,883**
Cash at bank and short-term deposits	18,665,655	13,184,029
Total cash at bank and short-term deposits	**18,665,655**	**13,184,029**

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Liquidity Risk

Liquidity risk is the risk that the Group might be unable to meet its financial liability obligations. The Group manages liquidity risk by monitoring forecast cash flows. The Group does not have any significant liquidity risk as the Group does not have any collateral debts.

i. Net Fair Values

The net fair values of:

- Other financial assets and other financial liabilities approximate their carrying value.

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ii. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2026, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2026	2025
	$	$
Change in loss		
- Increase in interest rate by 100 basis points	186,657	131,840
- Decrease in interest rate by 100 basis points	(186,657)	(131,840)
Change in equity		
- Increase in interest rate by 100 basis points	186,657	131,840
- Decrease in interest rate by 100 basis points	(186,657)	(131,840)

	Floating interest rate	Fixed interest rate	Non interest bearing	Total	Weighted average interest rate
	$	$	$	$	%
2026 Financial Assets					
Financial Assets					
Cash and cash equivalents	2,540,259	13,460,739	2,664,657	**18,665,655**	1.1%
Trade and other receivables	-	-	1,503,191	**1,503,191**	-
Security Deposits	-	67,110	232,431	**299,541**	3.6%
Total financial assets	**2,540,259**	**13,527,849**	**4,400,279**	**20,468,387**	
Financial liabilities					
Trade and other payables	-	-	4,875,823	**4,875,823**	
Lease Liability	-	512,127	-	**512,127**	
Total financial liabilities	**-**	**512,127**	**4,875,823**	**5,387,950**	

2025 Financial Assets	Floating interest rate	Fixed interest rate	Non interest bearing	Total	Weighted average interest rate
Financial Assets	$	$	$	$	%
Cash and cash equivalents	2,535,069	9,502,000	1,146,960	**13,184,029**	4.1%
Trade and other receivables	-	-	1,542,882	**1,542,882**	-
Security Deposits	-	67,110	251,268	**318,378**	4.0%
Total financial assets	**2,535,069**	**9,569,110**	**2,941,110**	**15,045,289**	
Financial liabilities					
Trade and other payables	-	-	2,380,881	**2,380,881**	
Lease Liability	-	1,084,013	-	**1,084,013**	
Total financial liabilities	**-**	**1,084,013**	**2,380,881**	**3,464,894**	

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Foreign currency risk

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.

The Group conducts exploration, mining development and battery anode production activities in Sweden (transaction currency is SEK), product development in the United Kingdom (transaction currency is GBP) as well as Germany where the Group is developing a graphite/graphene pilot plant facility (transaction currency is EUR). The Group is subject to foreign currency value fluctuations in the course of its operations. To mitigate the Group's exposure, currency rates are monitored regularly and funds are transferred to the foreign operations when rates are more favourable and also plans to curtail this impact by paying foreign currency invoices in a timely fashion.

As at 30 June 2026, the Group's exposure to recognised assets and liabilities denominated in a currency that is not the entity's functional currency was not material.

21. SEGMENT NOTE

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the operating segments of an entity. The Company's Board is the chief operating decision maker as it relates to segment reporting.

The Group operates in three operating segments, being graphite exploration and development in Sweden, graphite/graphene research and development in Germany and research and development in the United Kingdom, with Australia as unallocated corporate. This is the basis on which internal reports are provided to the directors for assessing performance and determining the allocation of resources within the Group.

2026	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
SEGMENT PERFORMANCE					
Revenues from ordinary activities	111,298	89,430	-	-	**200,728**
Other income	817,933	437,249	272,975	288,135	**1,816,292**
Total segment revenue and income	**929,231**	**526,679**	**272,975**	**288,135**	**2,017,020**
Segment expense (including write offs)	**(8,571,841)**	**(3,342,703)**	**(3,225,269)**	**(6,333,815)**	**(21,473,628)**
Major segment expense breakdown					
Anode production and ore storage costs	(3,997,658)	-	-	-	
Research and product development	-	(2,365,037)	(2,281,950)	-	
Exploration, evaluation and exploitation expenditure	(482,384)	-	-	-	
Impairment expenses	(392)	(1,310,401)	-	-	
Write down of acquisition costs	-	-	-	74,885	
Employee benefits and Director fees	-	-	-	(2,742,412)	
Administration, compliance and regulatory	(1,531,859)	-	53,706	(3,106,490)	
Share based payments	-	-	-	(859,162)	

Reconciliation of segment result to net loss before tax	
Segment result	(16,532,133)
Unallocated items	(2,924,475)
Net loss before tax from continuing operations	**(19,456,608)**

SEGMENT ASSETS

As at 30 June 2026	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
As at 1 July 2025	**30,438,601**	**2,238,850**	**4,056,455**	**12,913,926**	**49,647,832**
Movement					
- Cash and cash equivalents	8,784,643	319,070	(79,434)	(3,542,653)	**5,481,626**
- Grant funding receivable	410,546	(146,874)	(316,549)	(5,651)	**(58,528)**
- Plant and equipment	6,063,049	(1,715,443)	(925,686)	(132,554)	**3,289,366**
- Other	54,212	(6,850)	69,919	(60,720)	**56,561**
Total segment assets	**45,751,051**	**688,753**	**2,804,705**	**9,172,348**	**58,416,857**

Reconciliation of segment assets to total assets	
Other assets	-
Total assets from continuing operations	**58,416,857**

SEGMENT LIABILITIES

Segment liabilities as at 30 June 2026	11,563,381	357,451	551,008	1,099,209	13,571,049
Reconciliation of segment liabilities to total liabilities					
Unallocated items					-
Total liabilities from continuing operations					**13,571,049**

2025	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
SEGMENT PERFORMANCE					
Revenues from ordinary activities	27,749	78,419	-	-	**106,168**
Other Income	331,068	3,213	840,884	492,013	**1,667,178**
Total segment revenue	**358,817**	**81,632**	**840,884**	**492,013**	**1,773,346**
Segment expense (including write offs)	**(11,840,206)**	**(3,809,173)**	**(5,496,171)**	**2,644,185**	**(18,501,365)**
Major segment expense breakdown:					
Anode production and ore storage costs	(8,695,201)	-	-	-	
Research and product development	-	(2,212,334)	(3,192,128)	-	
Exploration, evaluation and exploitation expenditure	(1,063,122)	-	-	-	
Write down of acquistion costs	(113,376)	-	-	(161,572)	
Employee benefits and Director fees	-	-	-	(3,865,375)	
Administration, compliance and regulatory	(1,441,191)	(19,861)	(247,833)	(3,842,871)	
Share based payments	-	-	-	9,562,130	

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Reconciliation of segment result to net loss before tax	
Segment Result	(13,519,387)
Unallocated items	(3,208,632)
Net loss before tax from continuing operations	**(16,728,019)**

SEGMENT ASSETS

As at 30 June 2025	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
As at 1 July 2024	**25,367,090**	**3,007,339**	**4,148,104**	**13,573,474**	**46,096,007**
Movement					
- Cash and cash equivalents	(326,770)	1,716	38,458	(624,598)	**(911,194)**
- Grant funding receivable	(7,986)	107,389	384,263	58,480	**542,146**
- Plant and equipment	5,648,487	(835,977)	(64,400)	(146,101)	**4,602,009**
- Exploration and evaluation expenditure	(255,473)	-	-	-	**(255,473)**
- Other	13,253	(41,617)	(449,970)	52,671	**(425,663)**
Total segment assets	**30,438,601**	**2,238,850**	**4,056,455**	**12,913,926**	**49,647,832**
Reconciliation of segment assets to total assets					
Other assets					-
Total assets from continuing operations					**49,647,832**
SEGMENT LIABILITIES					
Segment liabilities as at 30 June 2025	**2,424,774**	**344,036**	**902,848**	**1,377,083**	**5,048,741**
Reconciliation of segment liabilities to total liabilities					
Unallocated items					-
Total liabilities from continuing operations					**5,048,741**

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22. SUBSEQUENT EVENTS

Other than as disclosed below, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Post year end, Talga announced it had commenced commercial shipments under the Nyobolt offtake agreement, transitioning from qualification volumes and marking a significant milestone in the Company's history. Subsequently there were multiple other material updates to support Talga's ambition of becoming a leading integrated producer of high-performance FEOC-free battery anode products.

Talga announced four non-binding Letters of Intent with three Japanese entities and one German entity, for the supply of flagship battery anode material Talnode®-C from the Vittangi Anode Project.

The LOI's with Japan's Mitsubishi Chemical Corporation (ASX: TLG 06/07/2026), Dainen Materials (ASX: TLG 16/07/2026) and trading company Hanwa, (ASX: TLG 27/07/2026) were announced in July 2026. The intention of all three LOI's is to negotiate and execute definitive long-term agreements by the end of December 2026. The LOI with Germany entity, EAS Batteries, was announced on 16 September 2026 (ASX: TLG 16/09/2026) with the intention to negotiate a binding term

sheet by April 2027 and execute a conditional Supply Agreement by July 2027. While every effort will be made to meet the deadlines, there is no certainty that the LOI's will become binding agreements with the counterparties.

Talga is progressing a range of other commercial arrangements with entities in Japan, USA, France and other jurisdictions.

On 1 September 2026, the Swedish Energy Agency (Energimyndigheten) approved the extension of the "Sustainable, low emission active anode material made from natural and recycled graphite" project which has a total value of SEK 190 million (A$30.8 million). Following two approved extensions, the project end date has now been extended to June 30, 2027. Any funds received that have not been used by Talga AB for this purpose shall be repaid to the Swedish Energy Agency, conditional upon filing a "Final report" inclusive of an auditor's certificate by 25 August 2027 confirming compliance with the terms of the grant.

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23. RELATED PARTIES

Related party transactions with management personnel are disclosed in Note 17.

24. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards. Talga Group Ltd has not entered into cross guarantees in relation to the debts of its wholly owned subsidiaries. There are no guarantee of contingencies and subsequent events other than mentioned elsewhere in this report.

STATEMENT OF FINANCIAL POSITION	2026	2025
	$	$
ASSETS		
Current assets	8,983,445	12,581,997
Non-Current assets	267,438	399,990
TOTAL ASSETS	**9,250,883**	**12,981,987**
LIABILITIES		
Current liabilities	1,063,681	1,256,080
Non-Current liabilities	23,818	118,045
TOTAL LIABILITIES	**1,087,499**	**1,374,125**
NET ASSETS	**8,163,384**	**11,607,862**
EQUITY		
Issued capital	271,001,793	249,658,226
Accumulated losses	(277,117,142)	(250,380,072)
Reserves	14,278,733	12,329,708
TOTAL EQUITY	**8,163,384**	**11,607,862**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net (loss) for the year	**(6,110,088)**	**(2,983,766)**
Total comprehensive (loss) for the year	**(6,110,088)**	**(2,983,766)**

25. CONTROLLED ENTITIES

Talga Group Ltd has a 100% direct and indirect interest in the following subsidiaries:

Name of Entity	Country of Incorporation	30 June 2026 (i)	30 June 2025 (i)
Talga Mining Pty Ltd	Australia	100%	100%
Talga Advanced Materials GmbH	Germany	100%	100%
Talga Technologies Limited	United Kingdom	100%	100%
Talga Anode UK Limited	United Kingdom	100%	100%
Talga AB	Sweden	100%	100%
Talga Battery Metals AB	Sweden	100%	100%
Talga Tech AB	Sweden	100%	100%
Jalk Graphite AB	Sweden	100%	100%
Raita Graphite AB	Sweden	100%	100%

(i) The percentage of voting power is in proportion to ownership

26. SHARE BASED PAYMENTS

The (credit) / expense recognised for the financial year, including what is disclosed at note 17(c) for options and performance rights that were granted in the previous years was $859,162 (2025: -$9,562,130). Share based payments for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date with the relevant proportion expensed for this financial year.

If a participant elects to use cashless exercise, the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Convertible Securities.

The following share-based payments were granted during the current financial year (none granted in 2025):

- Series 1 - 2,000,000 options granted 31/10/2025
- Series 2 - 4,460,000 options granted 21/11/2025
- Series 3 - 500,000 performance rights granted 13/01/2026

	Series 1	Series 2	Series 3
Grant date share price	$0.43	$0.46	$0.43
Expected Share Price Volatility (%)	63%	62%	N/A
Risk-free rate (%)	3.6%	3.8%	N/A
Time to maturity (years)	3.0	3.0	2.0
Fair value ($)	$0.14	$0.10	$0.43

The performance rights were valued at the share price at grant date whilst the options were valued using Black and Scholes model.

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The net share-based payment credit recognised for the 2025 year included a reversal of $10,433,526 of the cumulative expense recognised in prior periods in relation to awards with non-market based vesting conditions that lapsed in the 2025 financial year, as follows:

Share-based payments	No. of awards	Original vesting date	Vesting condition	Reversal of cumulative expense recognised in prior periods $
Class A options	5,000,000	31-12-24	(i)	5,341,227
Class B options	2,000,000	31-12-24	(i)	1,350,000
Performance rights	2,100,000	31-12-24	(i)	3,643,500
Performance rights	334,000	30-06-26	(ii)	98,799
Total				**10,433,526**

(i) The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode-C and / or Talnode-Si plant on or before 31 December 2024.

(ii) Employee to remain in the employment of the entity until the vesting date.

	2026 Number of options / rights	2026 Weighted average exercise price $	2025 Number of options / rights	2025 Weighted average exercise price $
Balance at beginning of financial year	**1,548,200**	**-**	**13,784,000**	**0.82**
Options granted during the financial year	6,460,000	0.96	-	
Rights granted during the financial year	500,000	-	-	-
Expired unvested during the financial year	(38,900)	-	(11,008,000)	0.99
Exercised during the financial year	(1,509,300)	-	(1,227,800)	-
Balance at end of the financial year	**6,960,000**	**0.96**	**1,548,200**	**-**
Exercisable at end of the financial year	**6,460,000**	**1.00**	**1,384,600**	**-**

The share based payment options and performance rights outstanding at the end of the financial year had a weighted average exercise price of $0.96 (2025: $0.0) and a weighted average remaining contractual life of 3.38 years (2025:0.52).

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Unlisted Share Options and Performance Rights

During the period ending 30 June 2026, the Group had the following ordinary shares under option or subject to performance rights (unlisted) either by cash or non-cash settlement.

- **1,000,000 performance rights expiring on 31 December 2025**

Vesting Conditions: Subject to remaining an employee or otherwise engaged by the Company in the role of CEO Europe (or such other role as may be agreed between the Company and Martin Phillips) at all times until the Milestone Date.

Vesting date: 500,000 on 31 December 2023

Vesting date: 500,000 on 30 June 2025

Vesting conditions were met and performance rights were exercised during the year prior to the 31 Dec 2025 expiry date.

- **333,000 performance rights expiring on 31 December 2025**

Vesting Conditions: Subject to remaining an employee or otherwise engaged by the Company in the role of CFO (or such other role as may be agreed between the Company and Melissa Roberts) at all times until the Milestone Date (30 June 2025 – subsequently modified to 31 December 2024).

Vesting date: These vested on 31 December 2024, being the modified vesting date.

These performance rights were exercised during the year.

- **51,600 performance rights expiring on 30 September 2025**

Vesting Conditions: Subject to remaining an employee at all times until the Milestone Date.

Vesting date: 31 March 2025

30,400 performance rights were exercised and 21,200 expired during the year.

- **163,600 performance rights expiring on 31 December 2025**

Vesting Conditions: Subject to remaining an employee at all times until the Milestone Date.

Vesting date: 30 September 2025

145,900 performance rights were exercised and 17,700 expired during the year.

- **4,460,000 options expiring on 21 November 2028**

Vesting Conditions: Vest immediately

Vesting date: 21 November 2025

No options were exercised during the year.

- **2,000,000 options expiring on 31 October 2028**

Vesting Conditions: Vest immediately

Vesting date: 31 October 2025

No options were exercised during the year.

- **500,000 performance rights expiring on 13 January 2028**

Vesting Conditions: Subject to remaining an employee at all times until the Milestone Date.

Vesting date: 13 July 2027

27. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2026.

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Consolidated entity disclosure statement

The following table provides a list of all entities included in the Group's consolidated financial statements, prepared in accordance with the requirements of Section 295(3A) of the Corporations Act. The ownership interest is only disclosed for those entities which are a body corporate, representing the direct and indirect percentage share capital owned by the Company.

		Body corporates			Tax residency
Company name	**Type of entity**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign jurisdiction**
Talga Group Ltd (Holding company)	Body corporate	Australia	-	Australian (i)	N/A
Talga Mining Pty Ltd	Body corporate	Australia	100%	Australian (i)	N/A
Talga Advanced Materials GmbH	Body corporate	Germany	100%	Foreign	Germany
Talga Technologies Limited	Body corporate	United Kingdom	100%	Foreign	United Kingdom
Talga Anode UK Limited	Body corporate	United Kingdom	100%	Foreign	United Kingdom
Talga AB	Body corporate	Sweden	100%	Foreign	Sweden
Talga Battery Metals AB	Body corporate	Sweden	100%	Foreign	Sweden
Talga Tech AB	Body corporate	Sweden	100%	Foreign	Sweden
Jalk Graphite AB	Body corporate	Sweden	100%	Foreign	Sweden
Raita Graphite AB	Body corporate	Sweden	100%	Foreign	Sweden

(i) This entity is part of a tax-consolidated group under Australian taxation law, for which Talga Group Ltd is the head entity.

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Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 35 to 73, are in accordance with the Corporations Act 2001:

   a. comply with Accounting Standards;
   b. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
   c. give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the Group.

2. The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;

3. The Chief Executive Officer and Chief Financial Officer have each declared that:

   a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view.

4. In the Directors' opinion (subject to the matters set out in Note 1) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mark Thompson

Managing Director

Perth, Western Australia
30 September 2026

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Independent auditor's report to the directors of Talga Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Talga Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Accounting for the Vittangi Anode Project

Why significant	How our audit addressed the key audit matter
As disclosed in Note 7 to the financial report, the Group recognised assets in relation to the Vittangi Anode Project of $35.9 million at 30 June 2026. The Group capitalised additions of $15.1 million for the year ended 30 June 2026, primarily to assets under construction. Judgement is required in determining whether expenditure on the project qualifies for capitalisation under accounting standards. This assessment includes consideration of the nature and purpose of the expenditure, the stage of development of the relevant project activities and the extent to which future economic benefits are expected to flow to the Group. Judgement is also required in determining whether any indicators of impairment exist in relation to the assets under construction or other project-related assets. As a result, we considered this to be a key audit matter.	Our audit procedures included the following: ▪ Obtaining an understanding of the Group's processes and controls relating to the approval, classification and recording of project expenditure. ▪ Agreeing, on a sample basis, capitalised project expenditure to supporting documentation, including supplier invoices, contracts and evidence of payment, and assessing whether the expenditure was directly attributable to constructing or preparing the relevant assets for their intended use. ▪ Assessing the nature of selected project activities and expenditure against the recognition requirements of Australian Accounting Standards, and evaluating whether the resulting classification between assets under construction and expenses was appropriate. ▪ Obtaining an understanding of the progress of the Vittangi Anode Project, and considering the completeness and accuracy of the Group's assessment in relation to the existence of impairment indicators, including the consideration of contrary information. ▪ Assessing the adequacy of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

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In our opinion, the Remuneration Report of Talga Group Ltd for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
30 September 2026

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