

9 August 2024

ASX:TLG

# Talga Group Ltd – Prospectus Offer

Dear Shareholder,

On behalf of the Board of Talga Group Ltd (ACN 138 405 419) (“**Company**” or “**Talga**”), I am pleased to offer you the opportunity to subscribe for fully paid ordinary shares in the Company (“**Shares**”) under a prospectus (“**Prospectus**”) to raise an intended sum of A\$5.0 million (“**Prospectus Offer**”).

The Company is offering eligible shareholders the opportunity to apply under the Prospectus for up to a maximum of A\$30,000 worth of Shares (“**New Shares**”) without incurring brokerage or transaction costs. The issue price of the New Shares under the Prospectus is A\$0.38 per Share (“**Issue Price**”).

The Company recently conducted an institutional placement which raised A\$9.5 million (ASX:TLG 29 July 2024). Proceeds from the placement and Prospectus Offer will be used towards pre-execution activities during the final stages of Vittangi Anode Project development and execution readiness ahead of Financial Investment Decision; progression of expansion studies; progression of the SQM lithium JV; and general working capital including project funding transaction costs.

The Issue Price represents a 15.8% discount to the volume weighted average market price of Shares over the last 5 days on which sales of Shares were recorded on the ASX immediately prior to the Prospectus Offer being announced on 29 July 2024.

Under Listing Rule restrictions the Company’s Directors are not able to participate in the Prospectus Offer without prior Shareholder approval. Since Shareholder approval has not been obtained, the Directors are not eligible to participate in the Prospectus Offer.

## Participation by Eligible Shareholders

Participation in the Prospectus Offer is optional and is open to shareholders who were registered as holders of Shares at 5:00pm (AWST) on Friday, 26 July 2024 and whose registered address is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of a person in the United States (“**Eligible Shareholders**”).

The offer of New Shares under the Prospectus Offer opens on Friday, 9 August 2024 and is expected to close at 5:00pm (AWST) on Friday, 23 August 2024 (“**Offer Period**”). These dates are indicative only and the Company reserves the right to vary any of these dates and times at its discretion (even if the Offer has opened, or applications or payments have been received) by lodging a revised timetable with ASX.

If you reside outside Australia or New Zealand or are in the United States, or are acting on behalf of a person in the United States, you are not an Eligible Shareholder and are not entitled to participate in the Prospectus Offer. Applications under the Prospectus Offer can only be made by Eligible Shareholders and an Eligible Shareholder’s right to participate in the Prospectus is not transferable.

Certain Eligible Shareholders who are custodians holding Shares on behalf of certain beneficiaries are also invited to participate in the Prospectus Offer on the terms and conditions set out in the Offer Document.

## How to apply

Eligible Shareholders may participate in the Prospectus Offer by following the instructions on their Personalised Application Form which is also accessible at <https://investor.automic.com.au/#/home>. Payment must be made directly via BPAY® (for Eligible Shareholders with a registered address in Australia) or by EFT. This is the fastest and easiest way to apply.

Shareholders with registered addresses in New Zealand must make payment by EFT equivalent to the dollar amount of the parcel of Shares you wish to apply for (including using the unique reference number provided on your Personalised Application Form for purposes of the Prospectus Offer only).

As noted above, the Prospectus Offer is expected to close at 5.00pm (AWST) on Friday, 23 August 2024 (unless varied or extended) and payment must be received before this time. Please take into account BPAY® or EFT processing times. The company will not be accepting payment by cheque.

The Talga Board has determined to target raising A\$5.0 million from the Prospectus Offer. As the Prospectus Offer is not underwritten, the Prospectus Offer may raise less than this amount. In the event the Prospectus Offer is oversubscribed, the Company may apply scale backs.

In conducting any scale back, the Board may take into account a number of factors including the date that the applications are received and the extent to which the applicant has sold or purchased Shares since the Record Date. This means that the Company may reject certain applications, in whole or in part. Accordingly, Talga encourages Eligible Shareholders who wish to participate to submit their application as early as possible.

Further details as to the application process are included in the Offer Document, which can be accessed at <https://investor.automic.com.au/#/home>. As noted below, the Board urges you to read the Offer Document carefully and in its entirety for the full terms governing the Prospectus.

To download your application form you have the following 3 choices:

I already have an online account with the Automic Share registry	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but want to use Automic for this Offer only
<p><a href="https://investor.automic.com.au">https://investor.automic.com.au</a></p> <p>Select: "Existing Users Sign In".</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Terms and Conditions and application form. Submit your payment using the payment details provided on your application form.</p> <p><b>Do not return your application form.</b></p>	<p><a href="https://investor.automic.com.au/#/signup">https://investor.automic.com.au/#/signup</a></p> <p>Select <i>Talga Group Ltd</i> from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then Next Complete prompts.</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Terms and Conditions and application form. Submit your payment using the payment details provided on your application form.</p> <p><b>Do not return your application form.</b></p>	<p><a href="https://investor.automic.com.au/#/login_sah">https://investor.automic.com.au/#/login_sah</a></p> <p>Select <i>Talga Group Ltd</i> from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then Next Complete prompts.</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Terms and Conditions and application form. Submit your payment using the payment details provided on your application form.</p> <p><b>Do not return your application form.</b></p>

### **Important Information**

The Prospectus Offer is governed by the terms and conditions in the Prospectus. The Board urges you to read the Prospectus carefully and, in its entirety, together with announcements made by the Company to ASX, before deciding whether to participate in the Prospectus Offer.

If you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the Prospectus and consider price movements of Shares in the Company prior to electing to participate in the Prospectus.

### **Enquiries**

If you have any queries in relation to your Application Form, please contact the company's Share Registry, Automic Group on 1300 101 594 (within Australia) or +61 2 8072 1412 (international) between 8:30am - 7:00pm (Sydney time) Monday to Friday. If you have any queries regarding the Offer, please contact the Company Secretary on +61 8 9481 6667.

Yours faithfully,



Terry Stinson  
*Non-Executive Chair*  
Talga Group Ltd



## TALGA GROUP LIMITED

(ACN 138 405 419)

## PROSPECTUS

For an offer to Eligible Shareholders of up to 13,157,895 New Shares at an issue price of \$0.38 per New Share to raise approximately \$5 million (before costs) (*Offer*).

This Prospectus is being issued under section 713 of the Corporations Act.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

*Not for release to US wire services or distribution in the United States*

## IMPORTANT INFORMATION

### General

This Prospectus is dated 9 August 2024 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to ASX for Official Quotation by ASX of the New Shares offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 3.03, Level 3, 46 Colin Street, West Perth WA 6005 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 4.3).

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

### Application Form

Applications for New Shares under this Prospectus can be accepted using the Application Form that accompanies this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding the Acceptance of the Offer. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

### Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Shareholders in the United States are not eligible to participate in the Offer. Similarly, Shareholders (including trustees, nominees and custodians) who are acting for the

account or benefit of persons in the United States, are not eligible to participate in the Offer on behalf of those persons.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the United States. The New Shares to be offered and sold under the Offer have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

### New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction.

### Continuously quoted securities

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### Exposure period

No exposure period applies to the Offer.

### Speculative investment

An investment in the New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to,

may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

### **Forward-looking statements**

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

### **Currency**

All financial amounts detailed in this Prospectus are expressed as Australian dollars unless otherwise stated.

### **Rounding**

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding.

### **Time**

All references to time in this Prospectus are references to Australian Western Standard Time (AWST), unless otherwise stated.

### **Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 6.

## CORPORATE DIRECTORY

### Directors

Mr Mark Thompson – Managing Director  
Mr Terry Stinson – Non-Executive Chairman  
Mr Grant Mooney – Non-Executive Director  
Mr Stephen Lowe – Non-Executive Director  
Mr Ola Rinnan – Non-Executive Director

### Senior Management

Mr Martin Phillips – Group Chief Executive Officer  
Ms Melissa Roberts – Chief Financial Officer

### Company Secretary

Mr Dean Scarparolo

### Registered Office

Suite 3.03, Level 3  
46 Colin Street  
West Perth, WA 6005  
Email: [info@talgagroup.com](mailto:info@talgagroup.com)  
Website: [www.talgagroup.com](http://www.talgagroup.com)

### ASX Code: TLG

*\* This entity has not been involved in the preparation of this Prospectus and is named for information purposes only.*

### Share Registry\*

Automic Group  
Level 5  
191 St Georges Terrace  
Perth WA 6000  
Telephone (inside Australia): 1300 288 664  
Telephone (outside Australia): +61 2 8072 1400

### Auditors\*

Ernst and Young  
Level 2  
11 Mounts Bay Road  
Perth WA 6000

### Lawyers

Allens  
Level 11, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000

## PROPOSED TIMETABLE

Key Dates	Date / time (WST) <sup>1</sup>
Record Date for Eligibility to participate in the Offer	5.00pm on Friday, 26 July 2024
Announcement of the Offer	Monday, 29 July 2024
Lodgement of Prospectus for issue of New Shares with ASIC and ASX	Friday, 9 August 2024
Offer Opening Date	Friday, 9 August 2024
Closing Date	5.00pm on Friday, 23 August 2024
Issue of New Shares under the Offer	Thursday, 29 August 2024
Quotation of New Shares under the Offer on ASX	Friday, 30 August 2024
Dispatch of Holding Statements for New Shares under the Offer	Friday, 30 August 2024

Notes:

1. These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates without prior notice.

## RISK FACTORS

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 3.



## 1 Details of the Offer

### 1.1 The Offer

A listed company may undertake a share purchase plan (**SPP**) in accordance with *ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (Class Order)*. The Class Order allows a company to conduct an SPP without the use of a prospectus. However, as the Company has conducted an SPP in accordance with the Class Order in the previous 12 months (refer to ASX announcement dated 6 November 2023) (**SPP Offer**), the Company is unable to rely on the disclosure relief granted by the Class Order and is, therefore, undertaking the Offer (defined below) pursuant to a transaction specific prospectus under section 713 of the Corporations Act. The Offer will follow the same format as the SPP Offer.

The offer is a non-underwritten offer to each Eligible Shareholder to apply for up to \$30,000 worth of fully paid ordinary Shares in the Company (**New Shares**) at an issue price of \$0.38 per New Share (**Offer Price**) (being up to 78,947 New Shares per Eligible Shareholder), to raise approximately a total of \$5 million (before costs) (**Offer**).

The Offer is not a rights issue or entitlement offer. Eligible Shareholders may apply for New Shares under the Offer, but are not required to do so. New Shares issued under the Offer will rank equally in all respects with the Company's existing Shares. Refer to Section 4.1 for a description of the rights and liabilities attaching to the New Shares.

### 1.2 Placement

On 29 July 2024, the Company announced that it had received firm commitments for a placement of 25 million New Shares (**Placement Shares**) to institutional and sophisticated investors at the Offer Price to raise a total of \$9.5 million (before costs) (**Placement**).

The Placement Shares were issued on 7 August 2024.

Refer to the ASX announcement dated 29 July 2024 (**Placement Announcement**) for further information.

### 1.3 Purpose of this Prospectus

The purpose of this Prospectus is to make the Offer.

### 1.4 Minimum subscription

There is no minimum amount to be raised under the Offer.

### 1.5 Not underwritten

The Offer is not underwritten.

### 1.6 Shareholders eligible to participate in the Offer

Only the following Shareholders may participate in the Offer:

- (a) those who were registered holders of Shares as at 5.00pm (AWST) on the Record Date; and
  - (b) those whose registered address was in Australia or New Zealand,
- (the **Eligible Shareholders**).

The Company has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions other than Australia (and its external territories) or New Zealand to participate in the Offer.

To participate in the Offer, follow the instructions in the Application Form or apply online at <https://investor.automic.com.au/#/home>.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of New Shares with a value of up to \$30,000 (which may be subject to scale back in accordance with Section 1.9). Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

The Company reserves the right to reject any application for New Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

## 1.7 Closing Date

The closing date for the Offer is 5.00pm (AWST) on Friday, 23 August 2024 (**Closing Date**). The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

## 1.8 Application Forms

### (a) Offer

If you wish to subscribe for New Shares under the Offer, please pay your Application Monies in accordance with the instructions in the Application Form.

Pursuant to the Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of New Shares. Eligible Shareholders may participate by selecting one of the following options (**Application Amount**) to purchase New Shares under the Offer:

Parcel	Application Amount	Number of New Shares
A	\$1,000	2,632
B	\$2,000	5,264
C	\$5,000	13,158
D	\$10,000	26,316
E	\$15,000	39,474
F	\$20,000	52,632
G	\$30,000	78,948

The Application Amounts available under the Offer are consistent with the application amounts available under SPP Offer. The above table details the number of New Shares that would be issued for different Application Amounts (assuming there is no scale back of applications). Where the amount applied for results in a fraction of a New Share, the number of New Shares issued will be rounded up to the nearest whole number.

Any Application Monies received for more than an Applicant's final allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded, without interest.

Eligible Shareholders may apply for the Offer by following the procedures set out in either Sections 1.10 or 1.11. The Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any New Shares offered under the Offer. You cannot withdraw or revoke your Application once you have made payment via BPAY® or EFT.

## **1.9 Scale back**

The Company intends to raise approximately \$5 million under the Offer. If Applications for more than the maximum amount of the Offer are received before the Closing Date, the Company may scale back Applications. At this stage, the Company may apply the scale back by giving priority to Applications received on a 'first-come, first-served' basis, however the final decision on how any scale back is conducted will be in the Board's absolute discretion, and the Board may take into account a number of factors such as the size of an Applicant's shareholding at the Record Date, the extent to which the Applicant has sold or purchased Shares since the Record Date, whether the Applicant has multiple registered holdings and the date on which the Application was made.

This means the Company may reject Applications which are received after the Company has received valid Applications from Eligible Shareholders which together amount to Applications for a total of \$5 million worth of New Shares. Accordingly, Eligible Shareholders are encouraged to submit their Application under the Offer as soon as is possible.

If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded up to the nearest whole number of New Shares. If the Company scales back an Application or purported Application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest, following allotment of the New Shares.

## **1.10 Payment by BPAY®**

For payment by BPAY®, please follow the instructions on your personalised Application Form.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you must use the unique BPAY® reference number found on your personalised Application Form as the customer reference number when making payment;
- (b) you do not need to submit the Application Form, but are taken to have made the declarations in the Application Form; and
- (c) if you do not pay an amount equal to one of the Application Amounts detailed in the table in Section 1.8, you will be deemed to have applied for the Application Amount that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly, and without interest, following the Allotment Date.

It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 5.00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment and you should therefore take this into consideration when making payment. No interest will be paid on any Application Monies received or refunded.

### **1.11 Payment by electronic funds transfer (EFT)**

You may alternatively elect to make payment by EFT. Please follow the instructions on your personalised Application Form for details on how to pay via EFT. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you have multiple holdings you will have multiple EFT unique reference numbers. To ensure that you receive your Application in respect of each holding, you must use the unique reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest.

### **1.12 Effect of making an Application**

If you apply for, and make payment to acquire, New Shares under the Offer, you:

- (a) will be deemed to have represented and warranted that:
  - (i) you are an Eligible Shareholder;
  - (ii) you have read and understood the terms and conditions of the Offer detailed in this Prospectus;
  - (iii) you subscribe for New Shares in accordance with those terms and conditions; and
  - (iv) you agree to be bound by the Constitution as in force from time to time;
- (b) acknowledge that you have received a copy of this Prospectus and an accompanying Application Form, and read them both in their entirety;
- (c) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your Application or funds provided except as allowed by law;
- (d) acknowledge that the market price of New Shares may rise or fall between the date of this Offer and the Allotment Date, and that the price you pay for New Shares pursuant to this Prospectus may exceed the market price of the New Shares on the Allotment Date;
- (e) accept the risk associated with any refund that may be dispatched to you at your address as shown on the share register;
- (f) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (g) represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (h) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (i) acknowledge the statement of risks in Section 3 of this Prospectus and that investments in the Company are subject to risk;
- (j) understand that the New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions

exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

- (k) you acknowledge and agree that if in the future you decide to sell or otherwise transfer some or all of the New Shares allotted to you, you will only do so in standard (regular way) brokered transactions on ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States;
- (l) you acknowledge that the New Shares may only be offered and sold outside the United States to Eligible Shareholders in "offshore transactions" (as defined and in reliance on Regulation S under the US Securities Act);
- (m) acknowledge and agree that if you are acting as a trustee, nominee or custodian: (i) each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand; and (ii) you have not sent this Prospectus or any other materials relating to the Offer to any person in the United States;
- (n) acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision; and
- (o) certify that you have not applied for, or instructed a Custodian to apply on your behalf for Shares with an Application Amount which exceeds \$30,000 in aggregate.

### **1.13 Custodians, trustees and nominees**

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in the Class Order) (**Custodian**), you may apply for up to the maximum of New Shares for each beneficiary for whom you act as Custodian (**Participating Beneficiary**) provided you provide a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares in the Company on behalf of one or more other persons (each a Participating Beneficiary) at 5:00pm (AWST) on the Record Date who have subsequently instructed you to apply for New Shares under the Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary and that each Participating Beneficiary's address is located in Australia or New Zealand;
- (d) the dollar amount of New Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- (e) that the Application Amount for New Shares applied for under the Offer for each Participating Beneficiary for whom you act does not exceed \$30,000;
- (f) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly through one or more interposed Custodians, the name and address of each interposed Custodian.

By making payment on behalf of a Participating Beneficiary, you certify that you are the Custodian for the Participating Beneficiary and that the above information in this Section 1.13 and the information detailed in the Application Form is true and correct as at the date of the Application.

Custodians should request a Custodian Certificate when making an Application on behalf of any Participating Beneficiary. To request a Custodian Certificate, and if you would like further

information on how to apply, you should contact Automic Pty Ltd on 1300 101 594 before the Closing Date.

The Company reserves the right to reject any Application for Shares under this Prospectus to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements.

#### **1.14 Allotment**

The Company expects that it will allot the New Shares on Thursday, 29 August 2024 (**Allotment Date**). The Company expects holding statements to be dispatched by Friday, 30 August 2024. These dates are subject to change at the discretion of the Company.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Directors will determine the recipients of all the New Shares under the Offer. The Directors reserve the right to reject any Application or to allocate any Applicant fewer New Shares than the number applied for.

Where the number of New Shares issued is less than the number applied for, or when no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date of the Offer. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Company's decision on the number of New Shares to be issued to an Applicant under the Offer will be final.

#### **1.15 ASX quotation**

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made within seven days of the date of this Prospectus.

If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

#### **1.16 Refunds**

Refunds pursuant to the Offer may be paid under various circumstances, including if the New Shares are not quoted on the ASX. If a refund is made, payment will be by direct deposit to your nominated account as shown on the Company's share register. You will not receive interest on any funds refunded to you.

#### **1.17 Costs of participation**

You must pay the Offer Price per New Share and any fees or charges incurred by you in making an Application under the Offer, for example, bank fees or fees of professional advisors. No commission is payable by the Company on the issue of the New Shares and no brokerage or other transaction costs apply.

## 1.18 **CHESS**

The Company participates in the Clearing House Electronic Sub-Register System (**CHESS**), operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Automic Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be imposed for additional statements.

## 1.19 **Applicants outside Australia**

Applicable laws may restrict the distribution of this Prospectus outside of Australia. The Offer under this Prospectus does not, and the Company does not intend it to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders reside, having regard to the number of overseas Shareholders, the number and value of those Shares in which the overseas Shareholders would be offered, and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended, and New Shares will not be issued to Shareholders with a registered address that is outside of Australia or New Zealand or any other jurisdiction where the Company is not satisfied that it is lawfully able to make such an offer or issue this Prospectus without being required to take any further action in the relevant jurisdiction concerned.

### ***New Zealand***

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### ***Notice to Custodians***

The Company is not required to determine, and will not determine, the identity or residence of any beneficial owners of New Shares. Each Custodian will need to determine for itself whether its beneficiaries are eligible to participate in the Offer.

## **1.20 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

## **1.21 Risks factors**

An investment in New Shares under this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are detailed in Section 3.

## **1.22 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability to Applicants for any such taxation consequences. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

## **1.23 Major Activities and Financial Information**

A summary of the major activities and financial information relating to the Company can be found in the Company's Interim Financial Report for the half year ended 31 December 2023 lodged with ASX on 15 March 2023 (**Half Yearly Report**) and annual financial report for the year ended 30 June 2023 lodged with ASX on 31 October 2023 (**Annual Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Half Yearly Report and Annual Report.

The Company's continuous disclosure notices since the lodgement of its Annual Report are detailed in Section 4.3.

Copies of the Half Yearly Report and Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Offer.

## **1.24 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.



Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

#### **1.25 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus or the Offer should contact the Shareholder Information Line on 1300 101 594 (inside Australia) or +61 2 8072 1412 (outside Australia) between 8:30am and 5:00pm (Sydney time).

## 2 Purpose and Effect of the Offer and Placement

### 2.1 Purpose of the Offer and Placement

The Offer and Placement are being undertaken to:

- (a) fund pre-execution activities during the final stages of Vittangi Anode Project development and execution readiness ahead of Financial Investment Decision (**FID**);
- (b) progress mineral resource and anode production expansion studies;
- (c) progress the Company's lithium joint venture with Sociedad Química y Minera de Chile S.A. (via its subsidiary SQM Australia Pty Ltd); and
- (d) general working capital including project funding transaction costs.

Refer to the Placement Announcement for details of the Company's use of funds.

### 2.2 Pro-forma Balance Sheet

Detailed below is:

- (a) the audited statement of financial position of the Company as at 31 December 2023; and
- (b) the unaudited pro forma statement of financial position of the Company as at 31 December 2023 incorporating the effect of the Offer and Placement, assuming \$5 million is raised under the Offer.

Please refer to Section 4.14 for further details on the estimated expenses of the Offer.

	31 Dec 2023	Offer Funds (assuming the Offer is fully subscribed) <sup>1</sup>	Unaudited, post Capital Raise <sup>2</sup>
All in \$ million	\$	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	32.9	14.0	46.9
Trade and other receivables	1.5	-	1.5
Pre-payments	0.5	-	0.5
<b>Total current assets</b>	<b>34.9</b>	<b>14.0</b>	<b>48.9</b>
<b>Non-current assets</b>			
Property, plant and equipment	19.7	-	19.7
Mine & Refinery– construction in progress	7.7	-	7.7
Right-of-use assets	1.7	-	1.7
Lease and environmental bonds	0.6	-	0.6

	31 Dec 2023	Offer Funds (assuming the Offer is fully subscribed) <sup>1</sup>	Unaudited, post Capital Raise <sup>2</sup>
Exploration acquisition costs	0.2	-	0.2
<b>Total non-current assets</b>	<b>29.9</b>	<b>-</b>	<b>29.9</b>
<b>TOTAL ASSETS</b>	<b>64.8</b>	<b>14.0</b>	<b>78.8</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5.7	-	5.7
Provisions	1.0	-	1.0
Lease liabilities	0.9	-	0.9
<b>Total current liabilities</b>	<b>7.6</b>	<b>-</b>	<b>7.6</b>
<b>Non-current liabilities</b>			
Lease liability	0.9	-	0.9
<b>Total non-current liabilities</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
<b>TOTAL LIABILITIES</b>	<b>8.5</b>	<b>-</b>	<b>8.5</b>
<b>NET ASSETS</b>	<b>56.3</b>	<b>14.0</b>	<b>70.3</b>
<b>EQUITY</b>			
Contributed equity	222.3	14.0	236.3
Reserves	18.7	-	18.7
Accumulated losses	(184.7)	-	(184.7)
<b>TOTAL EQUITY</b>	<b>56.3</b>	<b>14.0</b>	<b>70.3</b>

Notes:

1. Comprises \$5 million under the Offer (assuming the Offer is fully subscribed) and \$9.5 million raised under the Placement less the aggregate of legal fees, share registry fees and joint lead manager fees (for the Placement) of approximately \$0.5 million.
2. The above table does not include results of operations after 31 December 2023.

### 2.3 Effect on the Capital Structure

The effect of the Offer on the capital structure on the Company, assuming the New Shares are issued, is as follows:

	Shares	Options	Performance Rights
Securities on issue prior to the Offer and the Placement	380,087,172	7,000,000	5,951,000
Securities to be issued under the Offer	13,157,895	Nil	Nil
Securities issued under the Placement	25,000,000	Nil	Nil
<b>Balance after the Offer (if fully subscribed)</b>	<b>418,245,067</b>	<b>7,000,000</b>	<b>5,951,000</b>

#### 2.4 Effect of the Offer and Placement on control of the Company

The Company is of the view that the Offer and Placement will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer (refer to Section 4.8).

### **3 Risk Factors**

The New Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

#### **3.1 Specific Risks Associated with the Company**

Applicants should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks detailed below:

##### **(a) Operating and Budget Risks**

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

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

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

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

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

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.

(b) **Additional Requirements for Capital**

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

The Company announced the completion of the DFS for its Vittangi Anode Project in northern Sweden in July 2021 (and subsequent completion of Feed Study 15 April 2024). If the Company agrees on any near term future offtake arrangements, fast track commercial ramp up development may occur which will require additional funding to be obtained. Whilst the Company is in discussions with respect to offtake, there is no guarantee such discussions will result in binding agreements (see 'Offtake Arrangements risk' below).

Whilst the Company's cash as at 30 June 2024 of \$14.1 million, coupled with the \$9.5 million Placement completed on 7 August, will provide for on-going business activities, the Company will need to seek funding options 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 funding 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. With the assistance of financial and transaction advisors BurnVoor, 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 (including the exercise of unlisted Company options) 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 insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position.

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

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

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 costs 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.

(c) **Offtake Arrangements**

The Company has entered into 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. 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, while the Company will seek to secure other offtake agreements in respect of any excess production capacity not proposed to be taken by ACC or Verkor, 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).

(d) **Licences, Permits, Processing and Approvals Risks**

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

The primary permits required to enable development of the mine are an Exploitation Concession (under the Minerals Act) and an Environmental Permit (under the Environmental Code). Applications for the Vittangi Project Exploitation Concession and Environmental Permit were submitted in May 2020. On 22 June 2023, the Company received its Environmental Permit for its commercial battery anode refinery plant (to be located at Lulea) and on 17 July 2023 it received a Certificate of Finality to confirm the Environmental Permit is in force. The Swedish Land and Environment Court approved the Environmental Permit for the Vittangi Project mine at Vittangi) on 5 April 2023. A number of parties subsequently sought leave from the Swedish Land and Environment Court of Appeal (**Court of Appeal**) to appeal the decision. On 31 August 2023 the Court of Appeal confirmed that it had determined that there are no grounds to grant leave to appeal to any of the parties. Subsequent to the rejection of the appeals, a limited number of the previously mentioned parties appealed the decision by the Swedish Land and Environment Court of Appeal to the Swedish Supreme Court. Talga is currently awaiting the outcome from this last step of the environmental permit process.. If the Supreme Court rejects the appeal, the Environmental Permit will then come into force. A decision in relation to the Exploitation Concession will not be made until the Environmental Permit is in force. The Company believes that it has strong arguments to support the Exploitation Concession being granted.

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

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

(e) **Intellectual Property Risks**

The success of the Company's graphite processing business depends, in part, on its continued ability to protect its intellectual property (**IP**) including trademarks to increase



brand awareness, its trade secrets and patents on its products and production processes. The Company has 16 active patent families encompassing 66 active cases (28 proceeded to grant and 38 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 over all 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.

(f) **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 as 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.

(g) **Development and Commercialisation**

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

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

(h) **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.

(i) **Environmental and Social Impact Constraints**

The Company's exploration, mining and processing activities will, in general, be subject to approval by governmental authorities and influence from other key stakeholders such as local communities. Development of any of the Company's properties will be dependent on the relevant project meeting environmental guidelines and, where required, being approved by governmental authorities. In addition to the Company's Environmental Policy, the Company has developed an integrated formal Environmental and Social Management system to document the process for managing environmental and social risks, (Talga Integrated Management System – TIMS) is certified to ISO 9001, 14001 and 45001 standards. This was implemented at the Company's first operating facility, the EVA plant in Luleå, Sweden, the ISO 14001:2015 certification included onsite battery laboratories, and office in Luleå (ASX:TLG 19 October 2022).

A draft Environmental and Social risk register is being prepared, which identifies, assesses and documents mitigation measures for the proposed Sweden operations.

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

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.

(j) **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. Talga undertakes a range of community engagement activities at Vittangi, Kiruna and Luleå open houses, open days, community sponsorships and participation in local fairs. As described within the Stakeholder engagement plan Talga regularly discloses information about the project development through newsletters, web-based information and direct engagement. Talga 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 Talga's website. Talga invites stakeholders to also contact the company with concern, feedback or questions via its local email addresses, phone numbers or postal addresses. A Social Impact Assessment is being undertaken with the aim to further understand impacts on local stakeholders.

However, these programs are not a guarantee that other issues or concerns will not 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.

(k) **Mineral Title Risks**

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

It is also possible that, in relation to mineral titles in which the Company has an interest or will in the future acquire such an interest, there may be areas over which legitimate rights of Indigenous and property owners exist. In this case, the ability of the Company to gain access to permits (through obtaining consent of any relevant Indigenous owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affect. The Company's mineral titles may

also be subject to access by third parties including, but not limited to, the areas' Indigenous people and landowners. This access could potentially impact the Company's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities. The Company adopts a pro-active approach in engagement/consultation with local indigenous groups and landowners. The Company has successfully negotiated property rights with various landowners covering the current Vittangi Project.

(l) **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.

(m) **Reserve Estimates**

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

(n) **Commodity Price Volatility and Exchange Rate Risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity prices and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand for minerals, technological advancements, forward selling activities, the price and availability of substitutes, the approach to pricing by competitors (i.e., aggressive pricing at or below the cost of production), and other macro-economic factors. Depressed graphite prices and/or the failure by the Company to negotiate favourable pricing terms (which terms may provide for fixed or market-based pricing) may materially affect the profitability and financial performance of the Company. Any sustained low prices for graphite (or low sale price achieved by the Company (however achieved) may adversely effect the Company's business and financial results and/or its ability to finance its current or planned operations and capital expenditure commitments.

Unlike the majority of base and precious metals, there is no internationally recognised market for graphite battery anode material nor is graphite battery anode material an exchange traded commodity; it is determined by actual transactions between buyers and sellers. As a result, there is a lack of market transparency associated with the price of graphite battery anode material. however there are a few major independent price reporting agencies that track the graphite anode market. Given the range of factors which

contribute to the price of graphite battery anode material, and the fact that pricing is subject to negotiation, it is particularly difficult for the Company to predict with any certainty the prices at which the Company will sell graphite battery anode material. The effect of changes in assumptions about future prices may include, amongst other things, changes to Mineral Resources and Ore Reserves estimates and the assessment of the recoverable amount of the Company's assets.

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

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

(o) **Pandemic Risk**

Supply chain disruptions resulting from the transmission of pandemics such as COVID-19 in the community and measures implemented by governments around the world to limit the transmission of the virus may adversely impact the Company's operations, financial position, prospects and ability to raise capital. Travel bans may also lead to shortages of skilled personnel. Further outbreaks of COVID-19 or other pandemics and the implementation of travel restrictions also have the potential to restrict access to sites. The Company may also be subject to the severity of future lockdowns and relevant operators / supplier personnel not becoming infected which could result in delays.

(p) **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.

(q) **Competition**

Competition from other international graphite producers and explorers may affect the potential future cash flow and earnings which the Company may realise from its Vittangi Anode Project. This includes competition from existing production and new entrants into the market. The introduction of new mining and processing facilities and any increase in competition and supply in the global graphite market could lower the price of this commodity. The Company may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels. The Company's downstream operation may also be impacted by new entrants to the market, or existing graphite producers, pursuing a similar strategy.

### 3.2 General Risks

A summary of the major general risks are detailed below:

(a) **Infrastructure**

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supplies, as well as the location of population centres and pools of labour, 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 impact the Company's ability to explore its properties, thereby adversely affecting its business and financial condition.

(b) **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.

(c) **Volatility of Share Price**

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of graphite 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 capitalizations 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.

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.

(d) **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.

(e) **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.

(f) **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.

(g) **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

(h) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each Investor. All potential investors in the Company are urged to obtain independent financial and tax advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

### **3.3 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that any investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.



## **4 Additional Information**

### **4.1 Rights and Liabilities Attaching to New Shares**

A summary of the rights attaching to New Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to New Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend Rights**

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

#### **(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the

property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder Liability**

As the New Shares issued under the Offer detailed in this Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of, or failure to observe the provisions of, a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in

relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the Annual Report being the most recent annual financial report of the Company lodged with ASIC before the date of issue of this Prospectus; and
  - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at an ASIC office (refer to Section 4.3 below).

### **4.3 Copies of Documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Half Yearly Report for the period ending 31 December 2023 as lodged with ASX on 15 March 2023;
- (b) the Annual Report for the period ending 30 June 2023 as lodged with ASX on 31 October 2023; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date Lodged	Subject of Announcement
31 October 2023	ASX Appendix 4G
31 October 2023	Notice of Annual General Meeting/Proxy Form
31 October 2023	Notice of access - 2023 Annual General Meeting
6 November 2023	Share Purchase Plan - Letter to Eligible Shareholders
6 November 2023	Cleansing Notice - Issue of Shares
6 November 2023	Share Purchase Plan
6 November 2023	Proposed issue of securities - TLG
9 November 2023	Talga Investor Webinar Presentation
10 November 2023	Talga Investor Webinar Recording
21 November 2023	Talga joins Polestar 0 project
22 November 2023	Talga secures \$31M environmental bond facility
23 November 2023	Talga Share Purchase Plan to close
29 November 2023	Talga completes oversubscribed Share Purchase Plan
30 November 2023	Updated-Talga secures \$31M environmental bond facility
30 November 2023	AGM Chair's address
30 November 2023	AGM Presentation
30 November 2023	2023 AGM Results of meeting
4 December 2023	Application for quotation of securities - TLG
6 December 2023	Change of Director's Interest Notice
6 December 2023	Change of Director's Interest Notice
6 December 2023	Change of Director's Interest Notice
6 December 2023	Change of Director's Interest Notice
6 December 2023	Change of Director's Interest Notice
22 December 2023	Notification regarding unquoted securities - TLG
22 December 2023	Talga strengthens European leadership
19 January 2024	Talga Investor Webinar
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
2 February 2024	Talga Investor Webinar Presentation
2 February 2024	Talga Investor Webinar Recording
7 February 2024	Talga Strengthens Global Leadership
8 February 2024	Change of Director's Interest Notice
15 February 2024	Talga Presentation at RIU Explorers Conference
5 March 2024	Becoming a substantial holder

Date Lodged	Subject of Announcement
7 March 2024	Ceasing to be a substantial holder
8 March 2024	Cancellation Ceasing to be a substantial holder
12 March 2024	Ceasing to be a substantial holder
15 March 2024	Half Yearly Report and Accounts
19 March 2024	Talga Presentation at the UBS Mid & Emerging Resources Day
28 March 2024	Talga signs Altilium EV battery recycling JDA
3 April 2024	Becoming a substantial holder
3 April 2024	Ceasing to be a substantial holder
9 April 2024	Becoming a substantial holder
10 April 2024	Ceasing to be a substantial holder
15 April 2024	Vittangi Anode Project FEED study delivers strong results
22 April 2024	Talga Investor Webinar
26 April 2024	Becoming a substantial holder
29 April 2024	Ceasing to be a substantial holder
30 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report
1 May 2024	Becoming a substantial holder
2 May 2024	Ceasing to be a substantial holder
3 May 2024	Talga Investor Webinar Presentation
3 May 2024	Talga Investor Webinar Recording
16 May 2024	Talga defines larger graphite target in Sweden
31 May 2024	Interim Scoping Study Report shows expansion potential
6 June 2024	Talga Presentation-Euroz Hartleys EV Anode & Graphite Forum
11 June 2024	Vittangi Expansion Interim Scoping Study - Clarification
21 June 2024	Talga and SQM enter lithium partnership agreement in Sweden
24 June 2024	Becoming a substantial holder
25 June 2024	Notification regarding unquoted securities - TLG
2 July 2024	Talga appoints Eva Nordmark as Chair of Swedish Board
11 July 2024	Notification of cessation of securities - TLG
12 July 2024	Application for quotation of securities - TLG
24 July 2024	Talga Investor Webinar
26 July 2024	Trading Halt

Date Lodged	Subject of Announcement
29 July 2024	Successful A\$9.5m institutional placement
29 July 2024	Proposed issue of securities - TLG
29 July 2024	Proposed issue of securities - TLG
29 July 2024	Quarterly Activities/Appendix 5B Cash Flow Report
1 August 2024	Talga Investor Webinar Presentation
2 August 2024	Talga Investor Webinar Recording
7 August 2024	Cleansing Notice - Issue of Shares
7 August 2024	Application for quotation of securities - TLG

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company at Suite 3.03, Level 3, 46 Colin Street, West Perth WA 6005:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

The announcements are also available through the Company's website at [www.talgagroup.com](http://www.talgagroup.com).

#### **4.4 Information Excluded from Continuous Disclosure Notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

#### **4.5 Determination by ASIC**

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing New Shares under this Prospectus.

#### **4.6 Market Price of Shares**

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.80 per Share on 21 May 2024  
Lowest: \$0.41 per Share on 5 August 2024

On 8 August 2024 being the last practicable date prior to the date of lodgement of this Prospectus with ASIC, the closing market sale price of the Shares on ASX was \$0.42 per Share.

#### **4.7 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

#### 4.8 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, no persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue on completion of the Offer (assuming the Offer is fully subscribed) and Placement.

#### 4.9 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or New Shares offered under this Prospectus.

#### 4.10 Directors' Interests in Securities

The Directors' relevant interests in the securities of the Company as at the date of this Prospectus are detailed below:

Director	Shares	Options	Performance Rights
Mr Mark Thompson	14,412,174	4,000,000	-
Mr Terry Stinson	207,372	-	600,000
Mr Grant Mooney	-	-	500,000
Mr Stephen Lowe	2,107,273	-	500,000
Mr Ola Rinnan	-	-	500,000

#### 4.11 Remuneration of Directors

The remuneration of executive Directors is determined by the Board, subject to the provisions of any contract between each of them and the Company.

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors' remuneration for the past two financial years is detailed in the below table:

Director	Financial Year	Short Term Benefits (\$)	Superannuation (\$)	Share Based Payments (\$)	Total (\$)
Mr Mark Thompson	Ending 30 June 2022	600,314	23,569	1,652,000	2,275,883
	Ending 30 June 2023	453,399	25,296	1,652,000	2,130,695
Mr Terry Stinson	Ending 30 June 2022	154,545	15,455	347,000	517,000
	Ending 30 June 2023	154,525	16,225	347,000	517,750
Mr Grant Mooney	Ending 30 June 2022	73,182	7,318	289,167	369,667
	Ending 30 June 2023	73,151	7,681	289,167	369,999
Mr Stephen Lowe	Ending 30 June 2022	73,182	7,318	289,167	369,667
	Ending 30 June 2023	73,151	7,681	289,167	369,999
Mr Ola Rinnan	Ending 30 June 2022	95,500	-	289,167	384,667
	Ending 30 June 2023	95,832	-	289,167	384,999

#### 4.12 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise detailed in this Prospectus.

#### 4.13 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) Has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus, or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

Allens will be paid fees of approximately \$50,000 (plus GST) in relation to the preparation of this Prospectus.



Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the issue of the New Shares under the Offer, and will be paid for these services on standard industry terms and conditions.

#### 4.14 Expenses of the Offer

The estimated expenses of the Offer are detailed below:

Estimated expenses of the Offer	Amount (\$)
ASIC lodgement fee	3,206
ASX quotation fee	16,342
Legal fees	50,000
<b>TOTAL</b>	<b>69,548</b>

**Note:**

1. The Offer is not underwritten and there is no commitment for a broker or advisor fee to be payable.

#### 4.15 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of New Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Allens has given its written consent to being named as the solicitors to the Company in this Prospectus. Allens has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

## 5 Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of Company by:

Mr Mark Thompson

Managing Director

9 August 2024

## 6 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** or **₹** means Australian dollars.

**Acceptance** means a valid acceptance of New Shares under the Offer made pursuant to this Prospectus on an Application Form.

**Allotment Date** has the meaning given in Section 1.14.

**Annual Report** means the annual financial report of the Company for the period ending 30 June 2023 as lodged with ASX on 31 October 2023.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for New Shares under the Offer made on an Application Form.

**Application Amount** has the meaning given in Section 1.8.

**Application Form** means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for New Shares under the Offer.

**Application Monies** means application monies for New Shares received by the Company from an Applicant.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 129 164) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the Board of Directors of the Company as constituted from time to time.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Class Order** has the meaning given in Section 1.1.

**Closing Date** has the meaning given in Section 1.7.

**Company** or **Talga** means Talga Group Ltd (ACN 138 405 419).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Custodian** has the meaning given in Section 1.13.

**Custodian Certificate** has the meaning given in Section 1.13.

**Directors** means the directors of the Company as at the date of this Prospectus.

**EFT** means electronic funds transfer.

**Eligible Shareholders** has the meaning given in Section 1.6.

**Half Yearly Report** means the half yearly report of the Company for the period ending 31 December 2023 as lodged with ASX on 15 March 2024.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**New Shares** has the meaning given in Section 1.1.

**Offer** has the meaning given in Section 1.1.

**Offer Price** has the meaning given in Section 1.1.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Participating Beneficiary** has the meaning given in Section 1.13.

**Placement** has the meaning given in Section 1.2.

**Placement Announcement** has the meaning given in section 1.2.

**Placement Shares** has the meaning given in Section 1.2.

**Prospectus** means this prospectus dated 9 August 2024.

**Record Date** means 26 July 2024.

**Section** means a section of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**SPP** has the meaning given in Section 1.1.

**SPP Offer** has the meaning given in Section 1.1.

**AWST** means Western Standard Time, being the time in Perth, Western Australia.