

Loyalty Options Prospectus

Talga Group Ltd (“**Talga**” or “**the Company**”) (**ASX:TLG**) is pleased to advise it has lodged the prospectus for the Company's bonus issue of loyalty options to Eligible Shareholders (“**Prospectus**”).

As announced on 9 August 2024, Talga is providing Eligible Shareholders a non-renounceable pro rata bonus issue of unquoted options (“**New Options**”) on the basis of one New Option for every eight Shares held on the Record Date (“**Loyalty Offer**”). See the Company's ASX announcement on 9 August 2024 and the Prospectus for further details.

Participation in the Loyalty Offer is open to shareholders registered as holders of Shares at 5.00pm (AWST) on Friday, 6 September 2024 (“**Record Date**”) with registered addresses in Australia, New Zealand, Canada (British Columbia and Ontario provinces only), the People's Republic of China, the European Union (Croatia, Denmark, France, Germany, Ireland, Luxembourg, Netherlands and Sweden), Hong Kong, Japan, Lichtenstein, Philippines, Singapore, Switzerland, the United Arab Emirates, the United Kingdom and the United States, subject to the restrictions outlined in the Prospectus (“**Eligible Shareholders**”).

Eligible Shareholders may exercise their New Options by following the instructions on their Option Exercise Form which will be despatched on 13 September 2024. The indicative timetable for the Loyalty Offer is as follows:

Event	Date / Time (AWST)
Announcement of Offer	Friday, 9 August 2024
Appendix 3B lodged with ASX	Friday, 9 August 2024
Prospectus lodged with ASIC and ASX	Monday, 2 September 2024
Shares trade ex-New Options entitlements	Thursday, 5 September 2024
Record Date	5.00pm (AWST) Friday, 6 September 2024
Issue of New Options	Friday, 13 September 2024
Appendix 3G lodged with ASX	Friday, 13 September 2024
Option exercise period	13 September 2024 to 13 September 2025
Expiry Date for New Options	5.00pm (AWST), 13 September 2025

The timetable is indicative only and remains subject to change at Talga's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

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

For further information please contact:

Mark Thompson
Managing Director
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Nikki Löf
Group Communications Manager
Talga Group Ltd
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About Talga

Talga Group Ltd (ASX:TLG) is a leader in the development of sustainable battery materials. Via innovative technology and vertical integration of our 100% owned Swedish graphite resources, Talga offers a secure supply of products critical to the green transition.

Talga's flagship product, Talnode[®]-C, is a natural graphite anode material made using renewable energy for a low emissions footprint. Battery materials under development include an advanced silicon anode product, recycled graphite anode material and conductive additives for cathodes.

Website: www.talgagroup.com

Forward-Looking Statements & Disclaimer

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

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons.



TALGA GROUP LTD

(ACN 138 405 419)

BONUS ISSUE PROSPECTUS

For a pro-rata non-renounceable bonus issue of 1 free New Option for every 8 Shares held by each Eligible Shareholder recorded on the Company's share register on the Record Date of 5.00pm (AWST) on 6 September 2024 (*Offer*).

No application monies are payable for the grant of New Options

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 except by the Company to its US shareholders who are Institutional Accredited Investors

IMPORTANT INFORMATION

General

This Prospectus is dated 2 September 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 New Options 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).

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 4.4).

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.

No Application Form

Eligible Shareholders do not need to do anything to receive New Options under the Offer, except for Eligible Shareholders in China, France and the United States who will need to sign and return an investor certificate to the Company before receiving the New Options.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Options 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 observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. See Section 1.8 of this Prospectus for further information.

Notice to nominees and custodians

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand Canada (British Columbia and Ontario provinces only), Philippines, Singapore and the United Arab Emirates (excluding Dubai International Financial Centre and the Abu Dhabi Global Market) except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

Continuously quoted securities

This Prospectus is a transaction specific prospectus for an issue of New Options to acquire 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 Options 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 Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Options 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 Options have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Options will make a return on the capital invested, that dividends will be paid on the New Options or that there will be an increase in the value of the New Options 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 – 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
Website: 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) ¹
Announcement of Offer	Friday, 9 August 2024
Appendix 3B lodged with ASX	Friday, 9 August 2024
Prospectus lodged with ASIC and ASX	Monday, 2 September 2024
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Option exercise period	13 September 2024 to 13 September 2025
Expiry Date for New Options	5.00pm (AWST), 13 September 2025

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

The Company is making a non-renounceable pro rata bonus issue of free unquoted options to acquire one Share each to Eligible Shareholder (**New Options**) on the basis of 1 New Option for every 8 Shares held at 5.00pm (WST) on the Record Date (**Offer**). Each New Option will have an exercise price of \$0.55 (**Exercise Price**) and will expire on 13 September 2025.

As at the date of this Prospectus, the Company has on issue 428,771,846 Shares, 7,000,000 Options and 5,951,000 Performance Rights. Assuming no Options or Performance Rights are exercised prior to the Record Date, the Offer is for a maximum of 53,596,481 New Options. No funds will be raised under the Offer, unless and until New Options are exercised.

Up to 55,215,356 New Options could be issued under the Offer if all the existing Options and Performance Rights are exercised between the date of the Prospectus and the Record Date.

Where the determination of the entitlement of any Eligible Shareholder under the Offer results in a fraction of a New Option, such fraction will be rounded up to the nearest whole New Option.

Refer to Section 4.1 for a summary of the terms and conditions of the New Options under the Offer. Shares issued upon exercise of the New Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is in Section 4.2.

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 an issue price of \$0.38 per Placement Share 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 New Shares Prospectus Offer

On 9 August 2024, the Company announced that it was conducting an offer of new Shares at an issue price of \$0.38 per new Share (**SPO Shares**) under a prospectus to raise approximately \$5 million (before costs) (**SPO Prospectus Offer**).

The SPO Shares were issued on 29 August 2024.

Refer to the ASX announcement dated 9 August 2024 (Prospectus Offer opens and Loyalty Options) and 29 August 2024 (Talga completes upsized and oversubscribed Prospectus Offer) for further information.

1.4 Purpose of this Prospectus

The purpose of this Prospectus is to make the Offer.

1.5 No amount payable on issue

As the New Options are being issued as part of a bonus issue, nothing is payable upon issue of the New Options and no funds will be raised by the Company in connection with the Offer, unless and until the New Options are exercised.

1.6 Not underwritten

The Offer is not underwritten.

1.7 Shareholders eligible to participate in the Offer

Only Shareholders who were registered holders of Shares as at 5.00pm (AWST) on the Record Date may participate in the Offer in the following jurisdictions:

- (a) Shareholders in Australia, New Zealand, Canada (British Columbia and Ontario provinces only), the European Union (Croatia, Denmark, Germany, Ireland, Luxembourg, Netherlands and Sweden), Hong Kong, Japan, Lichtenstein, Philippines, Singapore, Switzerland, the United Arab Emirates, the United Kingdom;
- (b) Shareholders in the People's Republic of China who (a) are either a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets; (ii) sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investment; or (iii) other type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings, and (b) have signed and returned to the Company an investor certificate;
- (c) Shareholders in France who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) and have signed and returned to the Company an investor certificate; and
- (d) Shareholders in the United States who are Institutional Accredited Investors and have signed and returned to the Company an investor certificate,

(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, New Zealand, Canada (British Columbia and Ontario provinces only), the People's Republic of China, the European Union (Croatia, Denmark, France, Germany, Ireland, Luxembourg, Netherlands and Sweden), Hong Kong, Japan, Liechtenstein, Philippines, Singapore, Switzerland, the United Arab Emirates, the United Kingdom or the United States to participate in the Offer.

Eligible Shareholders will be sent a copy of this Prospectus, which will enclose a New Option holding statement that will state the number of New Options issued to Eligible Shareholders.

By receiving the New Options, you represent and warrant that:

- (a) You are an Eligible Shareholder;
- (b) If you are in People's Republic of China, France or the United States, you have signed and returned to the Company the form of investor certificate included in the Application Form;
- (c) You understand that the New Options, and the underlying ordinary shares, have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States, and such securities 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 of 1933 and applicable US state securities laws.
- (d) You will not distribute this Prospectus to any person in the United States or in any jurisdiction in which it is illegal to do so.

If you would like to exercise your New Options you can do so on or before the Expiry Date by completing an Option Exercise Form and paying the full amount of the Exercise Price, in accordance with the restrictions on exercise set out in Section 4.1.

The Option Exercise Form outlines the available Exercise Price payment methods. Your completed Option Exercise Form should be returned to the Company's share registry. A combined Option Exercise Form and Option holding statement will be despatched to Option holders at the same time.

1.8 International Offer restrictions

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.

This Prospectus does not constitute an offer of New Options in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Options may not be offered or issued, in any country outside Australia except to the extent permitted below.

New Zealand

The New Options 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 Options 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.

Canada

This document constitutes an offering of the New Options in the Canadian provinces of British Columbia and Ontario (***Provinces***) where existing shareholders of the Company are resident. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces.

No securities commission or other authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Options and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Options or the resale of such securities or the underlying ordinary shares. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Any resale of the New Options and the underlying shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security of a foreign issuer (such as the Company) that is not a reporting

issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

People's Republic of China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Options may not be offered or sold, nor may any invitation, advertisement or solicitation for New Options be made from, within the PRC. This document does not constitute an offer of New Options within the PRC.

The New Options may not be offered to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).


European Union (excluding Austria)

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

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Options in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:

<p>Attention! This investment falls outside AFM supervision. No prospectus required for this activity.</p>	
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Hong Kong

WARNING: This document may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This document may not be distributed, published, reproduced or disclosed (in whole or in

part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

Japan

The New Options have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (***FIEL***) pursuant to an exemption from the registration requirements applicable to a private placement of securities to a small number of investors. This document is for the exclusive use of existing shareholders of the Company in connection with the Offer to the extent they are fewer than 50. This document is confidential to the person to whom it is addressed and must not be distributed, reproduced or disclosed (in whole or in part) to any other person in Japan other than by the Company to its shareholders.

Lichtenstein

This document has not been, and will not be, registered with or approved by Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the New Options be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Securities Prospectus Implementation Act of Liechtenstein.

In accordance with such Act, an offer of New Options in Liechtenstein is limited to less than 150 persons who are shareholders of the Company.

Philippines

The securities being offered or sold have not been registered with the Philippine Securities And Exchange Commission (***SEC***) under the Philippine securities regulation code (***Code***). Any future offer or sale thereof is subject to registration requirements under the code unless such offer or sale qualifies as an exempt transaction.

The New Options are being offered or sold in the Philippines only to existing shareholders of the Company in an exempt transaction under Section 10.1(e) of the Code. The Company has not sought confirmation, and the SEC has not confirmed, whether the Offer qualifies as an exempt transaction under the Code.

Singapore

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

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

Switzerland

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

Neither this document nor any other offering or marketing material relating to the offering, the Company or the New Options have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of New Options will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document may be distributed in Switzerland only to existing shareholders of the Company (to the extent they do not exceed 500) and is not for general circulation in Switzerland.

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Options may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Options have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This document may be distributed in the UAE only to existing shareholders of the Company and may not be provided to any person other than the original recipient. Information about the Offer may be found in this document and on the Company's website. If a recipient of this document ceases to be a shareholder of the Company at the time of subscription, then such person should discard this document and may not participate in the Offer.

No marketing of the New Options has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

No offer or invitation to subscribe for New Options is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer of New Options has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as

amended (**FSMA**) has been published or is intended to be published in respect of the New Options.

The New Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

United States

The New Options and the underlying ordinary shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Offer is being made in the United States only to shareholders of the Company who are institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the Securities Act. In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an institutional accredited investor.

1.9 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer or, subject to applicable law, amend the terms of the Offer. .

1.10 Risks factors

An investment in New Options 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.

1.11 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Options 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 Options under this Prospectus.

1.12 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 4.4.

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.

1.13 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website <https://www.talgagroup.com/investors/>. By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

1.14 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.

1.15 Enquiries concerning Prospectus

Enquiries relating to this Prospectus or the Offer should contact the Company's share registry on 1300 101 594 (inside Australia) or +61 2 8072 1412 (outside Australia) between 8:30am and 7:00pm (Sydney time), Monday to Friday.

2 Purpose and Effect of the Offer

2.1 Purpose of the Offer

The purpose of the Offer is to recognise the Company's supportive share base. No funds will be raised by the Offer unless and until the New Options are exercised. The Offer is not expected to have a material impact on the Company's financial position other than the decrease in cash reserves of approximately \$23,206 resulting from the expenses of the Offer as set out in section 4.15.

A maximum of \$29,478,064 (before costs) would be raised if all New Options are exercised. The Company intends that any capital raised through the exercise of New Options will be used to strengthen the Company's balance sheet, to provide flexibility to support its future growth and for general working capital.

2.2 Pro-forma Balance Sheet

Please refer to Section 4.15 for further details on the estimated expenses of the Offer.

	31 Dec 2023 ¹	Unaudited, post Offer ²
All in \$ million	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	32.9	32.1
Trade and other receivables	1.5	1.5
Pre-payments	0.5	0.5
Total current assets	34.9	34.1
Non-current assets		
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 & environmental bonds	0.6	0.6
Exploration acquisition costs	0.2	0.2
Total non-current assets	29.9	29.9
TOTAL ASSETS	64.8	64.0
LIABILITIES		
Current liabilities		
Trade and other payables	5.7	5.7
Provisions	1.0	1.0
Lease liabilities	0.9	0.9
Total current liabilities	7.6	7.6

	31 Dec 2023 ¹	Unaudited, post Offer ²
Non-current liabilities		
Lease liability	0.9	0.9
Total non-current liabilities	0.9	0.9
TOTAL LIABILITIES	8.5	8.5
NET ASSETS	56.3	55.5
EQUITY		
Contributed equity	222.3	240.3
Reserves	18.7	18.7
Accumulated losses	(184.7)	(165.9)
TOTAL EQUITY	56.3	55.5

Notes:

- The 31 December 2023 Balance Sheet has been subject to a review by Ernst and Young in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Please refer to the Talga Group Ltd Half Year Financial Report lodged with the ASX on 15 March 2024 for further details
- The following adjustments have been made to the pro-forma Balance Sheet;
 - to take into account the reduction in cash as a result of operations from 1 January 2024 to 30 June 2024 to reflect the \$14.1M cash at bank as at 30 June 2024 as noted in the ASX 30 June 2024 quarterly report (for ease of reporting only this has all been allocated to P&L); and
 - \$18M in net receipts from the recently completed share Placement and Share Purchase Offer (See ASX announcement 29 July-and 29 August 2024).
- The pro-forma Balance Sheet assumes no New Options have been exercised at completion of the Offer. If all New Options are assumed to be exercised, the pro-forma Balance Sheet cash and issued capital will increase by \$29.5M.

2.3 Effect on the Capital Structure

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

	Shares	Options	Performance Rights
Securities on issue prior to the Offer	428,771,846	7,000,000	5,951,000
Securities to be issued under the Offer	Nil	53,596,481	Nil

Balance after the Offer	428,771,846	60,596,481	5,951,000
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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 4.9).

3 Risk Factors

The New Options 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 Options 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 and \$9 million Share Purchase Offer completed on 23 August 2024, 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 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) **Risks relating to holding New Options**

The Company's Share price may not exceed the Exercise Price of the New Options during the exercise period. In such circumstances an Option holder is likely to let the New Options lapse without any value being realised.

The Company must issue or transfer to the Option holder one (1) Share on exercise of a New Option within 5 Business Days of the date on which the New Option exercise took effect. There is a risk that the Company's Share price may fall below the Exercise Price during the period between exercise of the New Option and issue or transfer of Shares. In addition, where an Option holder exercises a New Option within 5 Business Days of a record date for a future dividend or other corporate action undertaken by the Company, there is a risk that the Option holder may not be issued or transferred Shares until after the relevant record date for determining entitlements has passed and will therefore be unable to participate in the future dividend or other corporate action.

(e) **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.

(f) **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.

(g) **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.

(h) **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

(i) **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, the Shares, the value of the New Options offered under this Prospectus and any Share which is issued as result of exercise of a New Option. Therefore, no assurances or guarantees can be provided by the Company with respect to the payment of dividends, returns of capital or the market value of the New Options or any Share which is issued as result of exercise of a New Option.

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 Options.

4 Additional Information

4.1 Terms and Conditions of the New Options

The terms and conditions of the New Options are as follows:

- (a) **(Entitlement)**: Each New Option gives the holder the right to subscribe for one Share upon exercise of the New Option.
- (b) **(Issue Price)**: No cash consideration is payable for the issue of the New Options.
- (c) **(Expiry Date)**: The New Options will expire at 5.00pm (WST) on 13 September 2025 (**Expiry Date**). An New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Price)**: The amount payable upon exercise of each New Option is \$0.55 per New Option.
- (e) **(Exercise Period)**: The New Options are exercisable on the 13th day of each calendar month (each, an **Exercise Day**), on or prior to the Expiry Date. If the 13th day of the month falls on a Saturday, Sunday or a day on which the ASX market is not open for trade (**Trading Day**), the New Options will be exercisable on the next Trading Day and that day will be deemed to be an Exercise Day.
- (f) **(Exercise)**: A holder may exercise their New Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of New Options specifying the number of New Options being exercised; and
 - (ii) electronic funds transfer or BPAY® (if you are the holder of an account with an Australian financial institution that supports BPAY® transactions) for the Exercise Price for the number of New Options being exercised
- (g) **(Exercise Notice)**. The Options may be exercised by notice in writing to the Company in the manner specified in the **Options Exercise Form** and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. An Options Exercise Form is irrevocable. An Options Exercise Form is only effective:
 - (i) when the Company has received the full amount of the Exercise Price in cleared funds; and
 - (ii) on an Exercise Day,**(Exercise Date)**.
- (h) **(Partial exercise)** The New Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion (unless less than 1,000 are held, in which case all need to be exercised).
- (i) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

- (j) **(Transferability)**: The New Options are not transferable, except with the prior written approval of the Company.
- (k) **(Ranking of Shares)**: All Shares allotted upon the exercise of New Options will upon allotment be fully paid and rank equally in all respects with other Shares.
- (l) **(Quotation)**: The Company will not apply for quotation of the New Options on ASX.
- (m) **(Quotation of Shares on exercise)**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options in accordance with the Listing Rules.
- (n) **(Reconstruction)**: If at any time the issued capital of the Company is reconstructed, all rights of a holder of New Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (o) **(Participating rights)**: There are no participating rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (p) **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the New Option holder had exercised the New Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (q) **(Amendments)**: A New Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (r) **(US securities laws restrictions)**: The New Options and the underlying ordinary shares have not been registered under the US Securities Act of 1933 or any US state securities laws. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that these securities and the underlying ordinary shares may be offered, sold, pledged or otherwise transferred only (a) to the Company; (b) outside the United States in compliance with Regulation S under the US Securities Act and local laws, including sales of securities in ordinary transactions on the ASX that are not pre-arranged with a person in the United States; (c) in a transaction that does not require registration under the US Securities Act and in compliance with applicable US state securities laws; or (d) pursuant to an effective registration statement under the US Securities Act.

4.2 Rights and Liabilities Attaching to Shares on Exercise of the New Options

A summary of the rights attaching to Shares issued upon exercise of the Options 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 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 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.

4.3 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.

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 Shares on the Company and the rights attaching to the 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 4.4 below).

4.4 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

Date Lodged	Subject of Announcement
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
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

Date Lodged	Subject of Announcement
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
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

Date Lodged	Subject of Announcement
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
9 August 2024	Talga Group Ltd Prospectus Offer
9 August 2024	Prospectus Offer opens and Loyalty Options
9 August 2024	ASX Appendix 3B
9 August 2024	Proposed issue of securities - TLG
9 August 2024	Change in substantial holding
14 August 2024	Disclosure under Takeovers Panel GN 20
15 August 2024	Change in substantial holding
20 August 2024	Prospectus Offer closing on schedule
29 August 2024	Talga completes upsized and oversubscribed Prospectus Offer
29 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 4.16 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.

4.5 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.

4.6 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 Options under this Prospectus.

4.7 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: \$0.40 per Share on 20 August 2024

On 30 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 \$0.435 per Share.

4.8 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.

4.9 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, the following 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:

Shareholder	Shares	Relevant Interest
UBS Group AG	22,673,612	5.60%

4.10 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 Options 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 Options 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 Options offered under this Prospectus.

4.11 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

4.12 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

4.13 Related party transactions

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

4.14 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 Options 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 Options 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 Options offered under this Prospectus.

Allens will be paid fees of approximately \$20,000 (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 Options under the Offer, and will be paid for these services on standard industry terms and conditions.

4.15 Expenses of the Offer

The estimated expenses of the Offer are detailed below:

Estimated expenses of the Offer	Amount (\$)
ASIC lodgement fee	3,206
Legal fees	20,000
TOTAL	23,206

Note:

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

4.16 ASIC Instruments

The Offer is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that section prohibits the Company from issuing Options in the seven-day period after the date of lodgement of this Prospectus with ASIC.

The Offer is also made pursuant to ASIC Corporations (Application Form Requirements) Instrument 2017/241 which exempts the Company from complying with section 723(1) of the Corporations Act to the extent that section only permits an issue of options in response to an application form included in or accompanied by a disclosure document.

4.17 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of New Options 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

2 September 2024

6 Glossary

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

\$ or **₹** means Australian dollars.

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.

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.

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

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

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).

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

Eligible Shareholders has the meaning given in Section 1.7.

Exercise Date has the meaning given in Section 4.1(g)

Exercise Day has the meaning given in Section 4.1(e).

Exercise Price means the amount payable to the Company by the Option holder upon exercise of a New Option, being \$0.55.

Expiry Date has the meaning given in Section 4.1(c).

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.

Institutional Accredited Investor means an “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act of 1933.

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 Options has the meaning given in Section 1.1.

Option means an option to acquire one Share.

Option holder means a registered holder of a New Option.

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.

Performance Rights means a performance right convertible into one Share upon the satisfaction of the relevant performance criteria.

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 5.00pm (AWST) on 6 September 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.

SPO Shares has the meaning given in section 1.3

SPO Prospectus has the meaning given in section 1.3

Trading Day has the meaning given in section 4.1(e)