

EV Anode Qualification Plant Progress

Battery anode company Talga Group Ltd (“**Talga**” or “**the Company**”) (**ASX:TLG**) is pleased to provide a progress update for its Electric Vehicle Anode (“EVA”) qualification plant in northern Sweden.

Talga is building a vertically integrated, European based operation to produce ultra-low emission graphite anode for local battery manufacturers and automotive OEMs. In addition to shortening supply chains and offering secure local supply, Talga’s green graphite anode products can help achieve the de-carbonisation objectives of both European manufacturers and regulators.

As part of on-going project development Talga is engaging directly with lithium-ion (“Li-ion”) battery manufacturers and automotive OEMs towards purchase agreements for its planned 19,000 tonnes per annum Vittangi Anode Project (**ASX:TLG 23 May 2019**), and subsequent 85,000 tonnes per annum Niska Project expansion targeting 2025-2026 production (**ASX:TLG 7 December 2020**).

The Company’s flagship graphite anode product Talnode®-C is currently being qualified in a range of Li-ion batteries for Automotive, 3C (Computers, Cell Phones, Consumer Electronics) and ESS (Energy Storage Systems) applications. Commercial customer samples are produced across Talga’s existing demonstration and pilot facilities, and with toll partners in Europe and Japan.

With customer programs advancing there is a need for increased commercial Talnode®-C sample quantities, particularly in the case of EV battery testing where large scale cell production and testing by automotive OEMs is required. The EVA plant represents a critical step for Talga in progressing automotive OEM procurement processes to enter the low-emissions focused EV supply chain.

The fully funded and permitted EVA plant will be located within the facilities of metals research institute Swerim in Luleå, Sweden, near Talga’s proposed full-scale commercial anode refinery site and adjacent to the existing Port/Steel Mill complex. The EVA plant will utilise the Company’s proprietary production process, including Talga’s improved coating system developed following key automotive OEM customer feedback, to produce active anode material for EV batteries at quantities aligned with customer requirements.

Commenting on the EVA plant progress, Talga Managing Director Mark Thompson said: *“The EVA plant is a key step in our partnering and product qualification process, which is ongoing. Talga’s existing demonstration and pilot facilities have taken our flagship Talnode®-C product through a range of customer qualification stages. The EVA plant will now provide the larger EV quality anode samples that our automotive battery customers require for their procurement processes and planned production schedules.”*

Figure 1. Vittangi graphite ore transported (L) to toll concentrator (R).



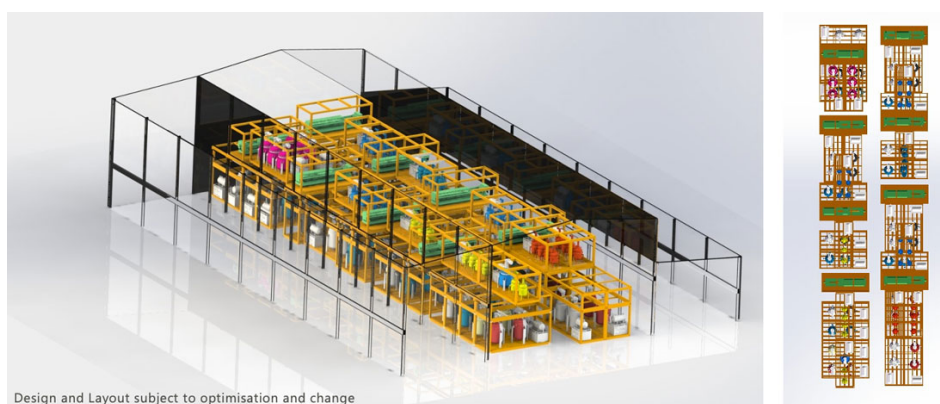
Works Progress

Following completion of the equity raising in December 2020, Talga has successfully completed the EVA plant design and engineering is progressing well. Requisite procurement work has commenced with orders placed for major equipment to deliver the project in accordance with the schedule.

In recent weeks the Talga team has transported graphite ore from the Company's existing feedstock inventory for primary crushing by a local Swedish contractor and the crushed ore has now been delivered to Talga's Scandinavian mineral processing partner for toll milling and graphite concentrate production (Figure 1).

Concentrates are scheduled to arrive at the Company's existing toll purification plant in mid-2021, where processing is due to be expanded following an upgrade of partner equipment. The purified graphite concentrate, Talphite®-C, is the pre-cursor material for the EVA plant and will be stored in preparation of Talnode®-C production.

Figure 2. EVA plant process modules layout option (schematic).



Manufacturing of anode production equipment in Europe and Japan is progressing in parallel with the primary processing and purification schedule, and the Company is targeting commencement of EVA plant installation in Q4 2021. Once commissioned, the EVA plant will employ ~10 people including processing engineers and production quality controllers, and recruitment has commenced.

In addition to anode production the EVA plant will house a fully equipped battery materials laboratory, including battery cell making facilities for cycle testing as part of on-going quality control and to ensure products meet the high standards required for commercial anode manufacture.

In planning for the future, the EVA plant equipment is being fabricated to also allow qualification scale production of Talga's new generation active materials, such as silicon and solid state anodes, and modified coating systems for different market applications.

Current customer testing in 3C and ESS applications, as well as early stage Automotive procurement processes, will continue to be met from Talga's existing sample production facilities.

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

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About Talga

Talga Group Ltd (ASX:TLG) is building a European battery anode and graphene additives supply chain, to offer advanced materials critical to its customers' innovation and the shift towards a more sustainable world. Vertical integration, including ownership of several high-grade Swedish graphite projects, provides security of supply and creates long-lasting value for stakeholders.

Company website: www.talgagroup.com

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