

Battery anode agreement with Farasis Energy

Australian battery anode provider Talga Resources Ltd (“**Talga**” or “**the Company**”)(**ASX:TLG**) is pleased to advise the Company has entered an agreement with Farasis Energy Europe GmbH (“**Farasis**”), a subsidiary of Farasis Energy Inc, one of the world’s leading manufacturers of lithium-ion batteries.

Talga is building a European anode production facility for lithium-ion batteries using the Company’s proprietary material technologies, wholly owned Swedish carbon source and 100% electricity from renewable energy sources. As part of the agreement between Talga and Farasis (“**Agreement**”), Talga will supply coated (‘active’) anode products for evaluation in Farasis batteries and assessment of potential business development opportunities, primarily in Europe.

Talga Managing Director, Mr Mark Thompson: *“Following successful initial tests, we are very pleased to continue this progress in collaboration with the experienced Farasis team. Talga is making substantial progress in commercialising its European lithium-ion battery anode products, and demand is growing rapidly, particularly in the EV market. We look forward to working together with Farasis to advance our anode materials for their innovative energy storage solutions.”*

Anode Market Background and Agreement Details

Talga is a developing lithium-ion battery anode producer in Sweden, utilising vertical integration and wholly owned technology to supply cost competitive and high-quality anode to European battery markets. The Company’s operations in northern Sweden use fossil free hydroelectricity, enabling Talga’s position as a low-emission leader in anode production and a secure local partner for the emerging European battery supply chain.

Europe is undergoing unprecedented growth in the demand for lithium-ion batteries, driven by the move to electric vehicles and renewable energy storage (**ASX:TLG 11 Nov 2019**). This creates new demand for sustainable and locally sourced battery anode materials, such as Talga’s. In addition, global EV battery demand is forecast to grow 14-fold by 2030, which would require approximately 1.7 million tonnes of anode material per annum¹.



Image 1. Talga anode product Talnode®-C undergoing testing. **Image 2.** Dr Claudio Capiglia, Director of Battery Technologies (left), Dr Fengming Liu, Senior Battery Scientist (middle) and Dr Sai Shivareddy, Vice President Strategy - Energy Storage Systems (right) will be collaborating with the Farasis team under the agreement.



Under the non-binding Agreement Talga agrees to supply Farasis with lithium-ion battery anodes in quantities as mutually agreed and required, with no contractually obligated minimum quantity, for evaluation and business development purposes. The Agreement is valid until 2024 and either party can choose to withdraw at any time via standard termination clauses, not constituting binding commercial terms. All of Talga's intellectual property rights remain unaffected by the Agreement

The Company is unable to quantify the economic benefits to Talga arising from the Agreement at this stage. Further terms, including quantity and pricing, are subject to negotiations throughout evaluation and development, and in the event commercially binding contracts are entered into Talga will inform the market. However, Talga recognises Farasis commercial relationships, particularly with European automotive manufacturers², to be well aligned with its developing Swedish anode business.

1 <https://about.bnef.com/electric-vehicle-outlook/>

2 <https://www.daimler.com/innovation/case/electric/battery-cells-carbon-neutral-production.html>

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Forward-Looking Statements & Disclaimer

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

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About Farasis

Farasis Energy, Inc. is an advanced lithium ion battery technology company focused on developing and commercialising innovative energy storage solutions to meet the increasingly critical, global demand for improved battery performance, cost, and safety. The Company is headquartered in China and has R&D centres in Silicon Valley USA and Germany. Farasis mission is to commercialise world leading battery systems to enable a revolution in energy efficiency addressing the rapidly changing transportation, consumer electronics and power distribution markets.

About Talga

Talga Resources Ltd (ASX:TLG) is building a European source of battery anode and graphene additives, to offer graphitic products 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. Joint development programs are underway with a range of international corporations.

Company website: www.talgagroup.com

