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Zacks Small-Cap Research

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Talga Group Ltd (OTCQX: TLGRF)

TLGRF: Talga continues to advance the development of its graphite mine and advanced refinery. Its flagship products are fast-charge natural graphite anode material used in Li-Ion batteries.

Utilizing a Discounted Cash Flow process containing conservative estimates combined with other valuation methodologies, we believe TLGRF could be worth **US$1.50** per share.

Current Price (2/3/26)	$0.32
Valuation (US$)	**$1.50**

OUTLOOK

Talga Group (OTCQX: TLGRF, ASX: TLG) is a global leader in the development and production of graphite battery materials. Its flagship product, Talnode®-C, is a fast-charge graphite anode material made in Sweden with an ultra-low carbon footprint. The company's battery material technologies enable anode manufacturing from both natural and recycled graphite. Talga is vertically integrated and will operate upstream graphite mines and large scale battery anode manufacturing plants. We expect the company to generate significant revenues and cash flow over the next 5-10 years with initial material revenues expected in 2027.

SUMMARY DATA

52-Week High	**US$0.41**
52-Week Low	**US$0.21**
One-Year Return (%)	**-8.6**
Beta	**1.12**
Average Daily Volume (sh)	**46,986**
Shares Outstanding (mil)	**510**
Market Capitalization ($mil)	**US$163.2**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**2.86**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Growth**
Industry	**Mining/Materials**

ZACKS ESTIMATES

Revenue
(in millions of A$)

	Q1 (Sep)	1H (Dec)	Q3 (Mar)	2H (Jun)	Year (Jun)
2025					
2026		0.09 E		0.10 E	0.19 E
2027					23.5 E
2028					59.4 E

EPS / Loss Per Share (A$)

	Q1 (Sep)	1H (Dec)	Q3 (Mar)	2H (Jun)	Year (Jun)
2025					
2026		-0.03 E		-0.03 E	-0.06 E
2027					-0.03 E
2028					0.02 E

Quarterly EPS figures may not equal annual EPS due to rounding, dilution or intangibles. Estimates may be non-GAAP.

WHAT'S NEW

Second Quarter (December 2025) Report

On January 30, 2026, the company released its quarterly business update and cash flow report. Talga reports full financial earnings on a six month basis but provides cash balances and cash flow statements every quarter.

Talga ended the quarter with A$28.4 million in cash which includes A$13.35 million in restricted funds from the Industry Leap grant (see below). The company also had conditional financing facilities totaling A$125 million from EU Innovation Fund and Environmental Bonds. The company has 510 million shares outstanding, 14.8 million unlisted options, and the market capitalization is approximately US$163.2 million currently.

Recent Equity Capital Funding

At the end of the 2nd quarter, Talga successfully raised A$14.5 million from new and existing institutional and sophisticated investors through a placement of 35.4 million new ordinary shares at A$0.41 per share. The price reflected a 7.2% discount on the 10-day VWAP average price on the last trading day prior to issuance.

In addition, the company launched a Share Purchase Plan (SPP) for eligible shareholders in Australia, New Zealand and Singapore. On January 28, 2026, the company announced it had raised A$7.3 million from the oversubscribed SPP (original target was to raise A$5.0 million). 17,738,987 new shares have been allocated to SPP applicants.

Industrial Leap Program

During the quarter, Talga was awarded a A$13.35 million grant under the Swedish Energy Agency's Industrial Leap program, which is part of the EU Recovery and Resilience Facility (RRF) and Next Generation EU initiative. The grant is partially funding the A$30.8 million study for the final engineering design for a staged 5,000 tonnes per year ramp-up in graphite anode commercial production.

Also during the quarter, the company progressed the nine work packages which make up the Industrial Leap Project. Pilot test work is now well advanced, at more than 50% complete. Recently, the company scaled up activities for the beneficiation, purification and spheronizing of graphite as well as the scale up of processing for recycled graphite and production of Talnode®-R. Engineers commenced work on the Front-End Engineering Design for the commercial-scale facility. Work on the Industrial Leap Project will continue to intensify and is expected to be completed by the end of June 2026.

Nunasvaara South Graphite Mine Update

On January 27, 2026, the company announced that Sweden's Government approved the detailed zoning plan for the Nunasvaara South Graphite Mine. This approval paves the way for the company to proceed with detailed design and securing building permits before project development.

The detailed plan regulates how the land can be used and developed in compliance with Sweden's land use and environmental regulations. It designates zones on site for infrastructure, buildings and mining activities.

Other key permits for this mine are already in force, primarily the Environmental Permit and Exploitation Concession. The graphite deposit at Vittangi is designated as a mineral deposit of national interest while the Vittangi Anode Project encompassing the Luleå Anode Refinery is a designated EU Strategic Project under the Critical Raw Materials Act and the Net-Zero Industry Act.

In addition to the Government approving the detailed plan at the Nunasvaara South deposit, the Mining Inspectorate of Sweden granted the approval of exploitation concessions for Nunasvaara North, Niska South and Niska North natural graphite deposits, which form part of a future expansion plan of the company's integrated Vittangi Anode Project. This decision grants Talga the right to conduct graphite mining activities at Nunasvaara North, Niska South and Niska North for an initial term of 25 years, with provisions for extensions.

Aero Project in Sweden

On January 15, 2026, the company announced that recent rock chip sampling programs, field mapping and evaluation have confirmed evidence of high-grade **gallium** and other critical elements the 100% owned Aero Project in northern Sweden. The Aero Project covers 270 km² located 20 km southeast of Gällivare, a major mining hub in Sweden's Norrbotten region. Previous exploration activity at Aero has identified lithium oxide over a 50 km total strike with surface sample grades of up to 1.9% Li2O.

Gallium is a soft, silvery metal and a chemical element with unique properties where it can melt in your hand at a temperature of 86°F (30°C). It is considered a strategic, or critical metal due to its important uses in semiconductors, LEDs/lasers, and defense and space applications.

Talga recently completed field mapping and geochemical rock outcrop sampling and re-evaluated the project through the application of the Exploration Information System (EIS) digital tool. The company plans on refining and updating this model as exploration activities progress and new data is made available. The surface rock exposures have returned high-grade and anomalous concentrations of gallium, other rare earth elements (REEs) including yttrium, and other critical minerals and elements which statistically exceed bulk crustal abundances. These results are considered significant for a first pass exploration such as this.

These very impressive highlight assay results include:

Table 1: *Conversion of select anomalous oxide values from Aero rock chip samples.*

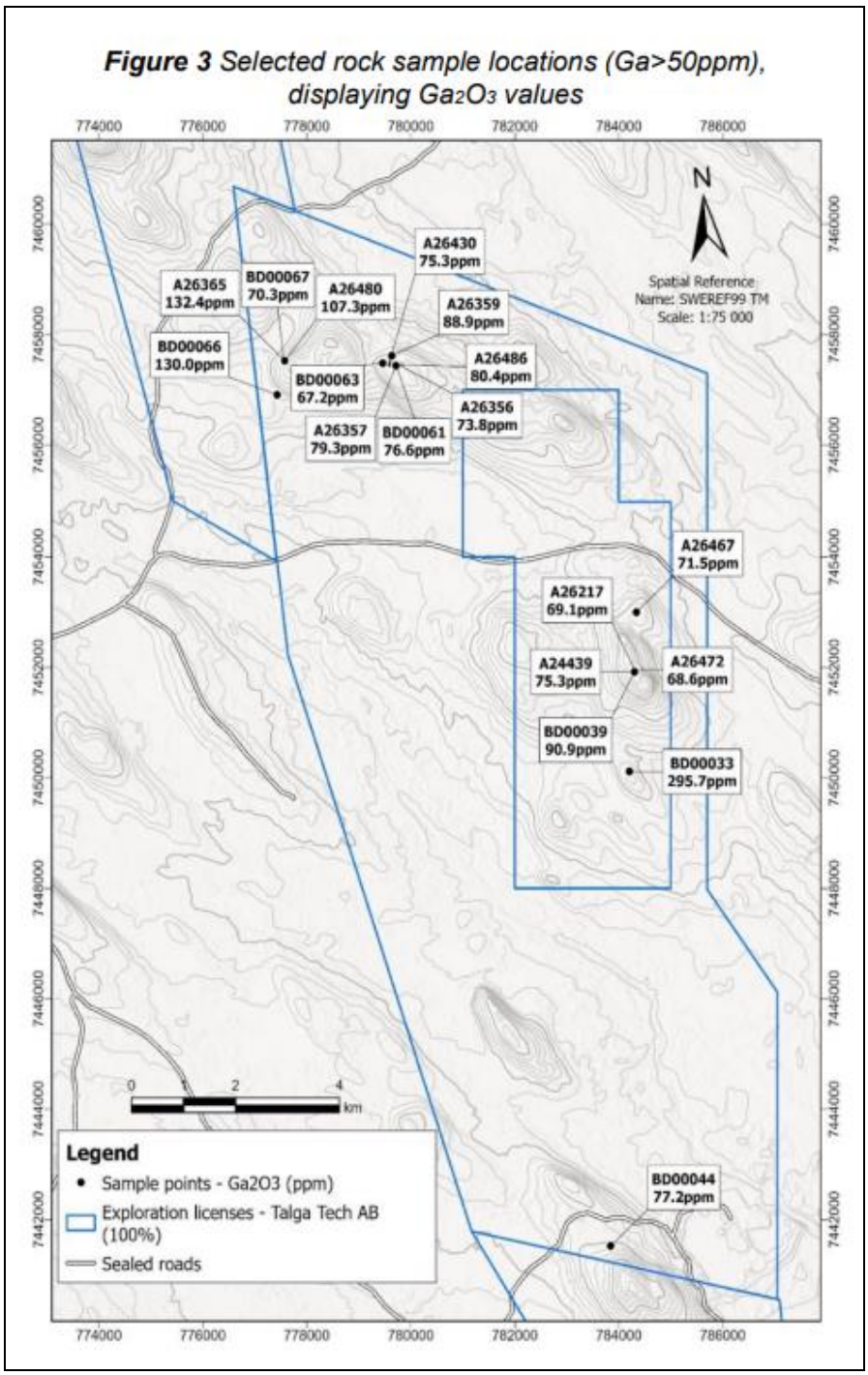
Sample	SWEREF99 TM		Element	Element	Oxide	Oxide
	Easting	Northing		ppm	ppm	
BD00033	784204	7450116	Gallium	220	296	Ga_2O_3
A26450	784326	7451830	Caesium	773	820	Cs_2O
A26217	784302	7451967	Niobium	706	1010	Nb_2O_5
			Tantalum	487	595	Ta_2O_5
			Yttrium (REE)	147	186	Y_2O_3
A26365	777578	7457526	Scandium (REE)	204	313	Sc_2O_3

Source: talgagroup.com

This collection of critical minerals and elements is gaining importance in global supply chains as governments such as the US, UK, Japan, Europe, South Korea, Australia and Canada collaborate to build strategic reserves. Gallium and cesium are used in semiconductors which drive advanced telecommunications among other applications. Niobium, scandium, tantalum and yttrium are commonly used in alloys for lightweight applications that are crucial in the aerospace, defense and automotive industries. Yttrium is also used in lasers.

We believe the potential of Aero will be greater than previously recognized due to recent exploration results. Although still in exploration phase, the company is pursuing US and EU funding opportunities, including applications under DOE critical minerals programs and EU CRMA strategic project calls, to

accelerate development of the project. In addition, Talga is engaging with major strategic partners for joint ventures targeting global companies in mining, technology, and defense sectors. This approach will allow Talga to unlock Aero's value while prioritizing the company's core graphite battery anode business.



Source: talgagroup.com

Current Graphite Business

Talga made solid commercial and technical progress during the quarter which was highlighted by the delivery of two tonnes of Talnode®-C (the largest shipment to date) under an existing offtake agreement. Customer material revenues quadrupled to A$71,000 compared to the prior quarter, which was driven by advancing product qualification programs with several new major battery cell makers. We believe

customer feedback was positive, particularly around fast-charge performance, lifecycle results, and electrode compatibility.

Also during the 2nd quarter, the company expanded its product portfolio to capture emerging opportunities from shifting global supply chains and market conditions. New offerings include conductive additives for industrial metal powder applications, specialty coatings, and advanced manufacturing markets. Talga's high-purity graphite has also attracted interest as a performance-enhancing additive across the defense, aviation, and consumer goods sectors.

Talga and V4Smart Agreement

On January 19, 2026, the company announced the execution of a development agreement with V4Smart, a German-based innovator in high performance batteries co-owned by Porsche AG and VARTA AG Group.

Under the agreement, Talga and V4Smart will jointly develop and qualify Talga's high-performance graphite anode for integration into next-generation fast-charging battery cells. This non-binding agreement represents an important step towards establishing a secure, commercial European supply chain, with the parties intending to progress to binding offtake and volume agreements upon achieving key technical milestones.

The project aligns with Talga's commercial ramp-up plans and targets completion prior to December 31, 2027. It includes mutually agreed anode specifications, qualification volumes, and indicative commercial volumes, with potential to extend to material recycling.

Acquired by Porsche AG in March 2025 from the VARTA AG Group, V4Smart focuses on innovative ultra-high-performance lithium-ion battery cylindrical cells made in Germany.

Research & Development

During the 2nd quarter, the company consolidated and rationalized its R&D department to centralize operations in the U.K., which reduced the team in Germany. Current activities which the R&D team are involved with include:

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

HiSpin: Talga contributes specialized silicon-graphite/graphene composite anodes to this project, targeting high-performance battery cells for automotive and aeronautic applications, with high-voltage spinel LNMO/SiC active material with goals of 390 Wh/kg energy density, high-power, over 2,000 cycle life, and at a lower cost. This project is coordinated by AIT (Australia), the 14-partner consortium across 8 countries (including Saft and Topsoe) which emphasizes performance and cost through novel active materials, high-voltage electrolytes and innovative electrode structuring.

GRAPHiREC: Talga is leading the graphite post-processing in a €7.5 million EU LIFE initiative focused on recycling graphite from lithium-ion and alkaline battery waste at industrial pilot scale. The project deploys Europe's first industrial pilot plants using dry mechanical and hydrometallurgical processes, targeting 90% recovery at battery-grade purity. It will produce

prototype button cells, EV cells, and AA batteries while cutting CO_2 emissions, reducing waste and import reliance, and supporting a circular battery economy.

Within the project, Talga purifies recycled graphite to battery-grade quality and applies proprietary carbon coatings to manufacture high-performance anode materials that match virgin graphite performance. The eight-partner consortium includes recyclers, battery makers, and universities, with VARTA validating full-cell performance. Separately, Talga participates in two Swedish competence centers: 2DTech, focused on advanced 2-D materials with partners like GKN Aerospace and Volvo, and Batteries Sweden (BASE), which involves the full battery value chain from materials and components to end users and recyclers.

We believe the company's R&D investments drive benefits through product innovations that expand market opportunities and secure customer validations, while attracting substantial grant funding, developing IP, as well as developing commercial partnerships.

Patent Portfolio

The company continues to garner important patents based on its advanced technologies. During the quarter, Talga was awarded three patents by the U.S. Patent and Trademark Office for proprietary graphite-based technologies which protects the intellectual property until 2042. US patents #12,424,627, #12,434,973 and #12,398,040 were granted for Talga's unique methods to produce battery anodes.

In addition, Talga secured a patent in Japan for anode production methods and material until at least 2040. Japan Patent #7779483 protects the proprietary process used to produce natural graphite anode materials which deliver superior energy density, long-life and fast-charge capability for Li-ion batteries.

The awarding of the U.S. and Japanese patents coincided with threats of export controls from China affecting graphite anode products, machinery and technology which highlights the value of Talga's 100% owned process platform and vertical integration.

February Investor Webinar

Talga will hold an open investment webinar on Monday February 9 at 2:00pm AWST / 5:00pm AEDT. The company's Managing Director Mark Thompson will provide an update on the Vittangi Anode Project and other recent corporate activities, followed by a Q&A session. Questions can be asked online during the webinar or submitted ahead of time by email at info@talgagroup.com.

Registration for the webinar can be found here.

KEY INVESTMENT POINTS

Source: talgagroup.com

- Fully vertically integrated Australian battery materials and technology company with primary operations located in Sweden and the UK.

- The company produces high-performance, sustainable, new-energy graphite materials using innovative wholly owned (FEOC-free) technologies and its own mine or black mass supplies, to suit graphite anodes used in lithium-ion batteries.

- Strategically positioned in the booming critical mineral market, as Western trade policies are fueling strong demand for secure, non-China sources of graphite and battery anodes. The company's 100% owned anode production process is of growing interest to government agencies and customers.

- Holds 100% ownership of the Tier 1 Nunasvaara graphite mine, Europe's highest-grade and largest graphite mineral resource, integrated with its advanced downstream process technology at a forthcoming large-scale anode production plant. The company enjoys lowest-quartile operating cost due to ultra low-cost power and a unique high-yield ore-to-anode process.

- Since 2022, Talga has successfully operated an industrial-scale coated anode plant in Sweden, delivering customer qualification products backed by proprietary IP. The company is planning to build commercial scale in stages, with initial output ramping from 5,000 tonnes per year to 19,500 tonnes per year, enough to supply 16 GWh of battery capacity.

- Build out of the Vittangi Project (mine and refinery) is backed by €150 million debt pre-approved by the European Investment Bank and a €70 million EU Innovate grant, with a further grant for €110 million in application under Sweden's 'Industry Leap" program towards initial production.

- A similar anode plant is planned to be built in the U.S fed by recycled graphite from black mass producers. A strategic agreement is complete with United Catalyst Corp of South Carolina to work towards U.S funding and market entry.

- Talga has a premium management team with decades of experience spanning industry, research, and technology development.

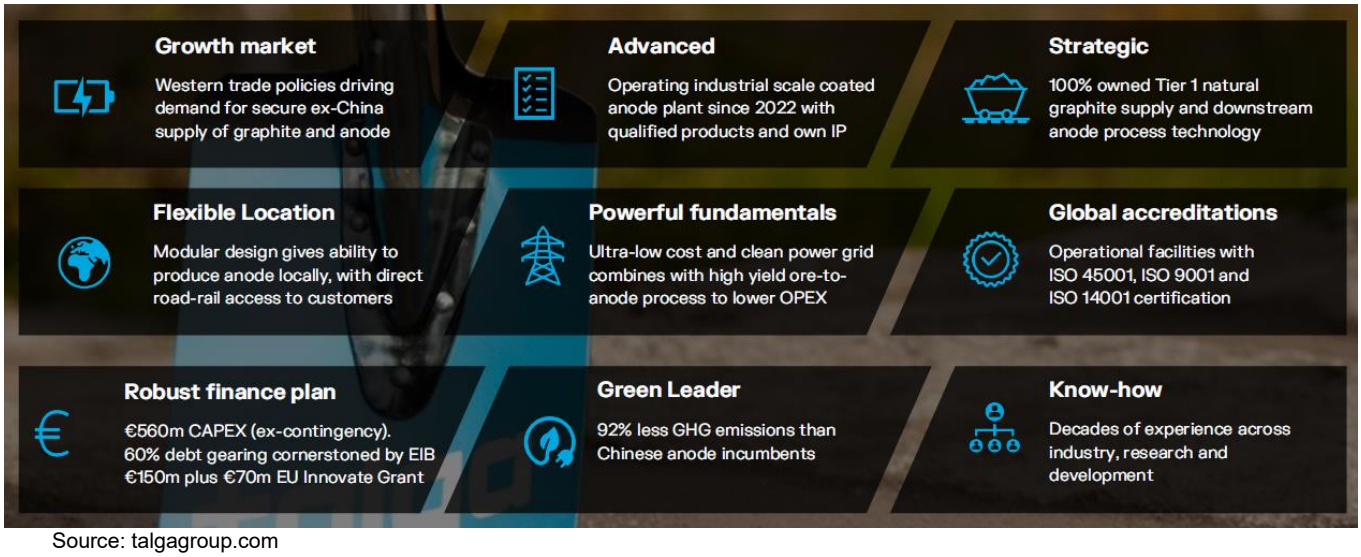
- Cash balances as of 12/31/25 were A$28.4 million in cash which includes A$13.35 million in restricted funds. The current market capitalization is approximately US$163.2 million.

Source: talgagroup.com

OVERVIEW

Source: talgagroup.com

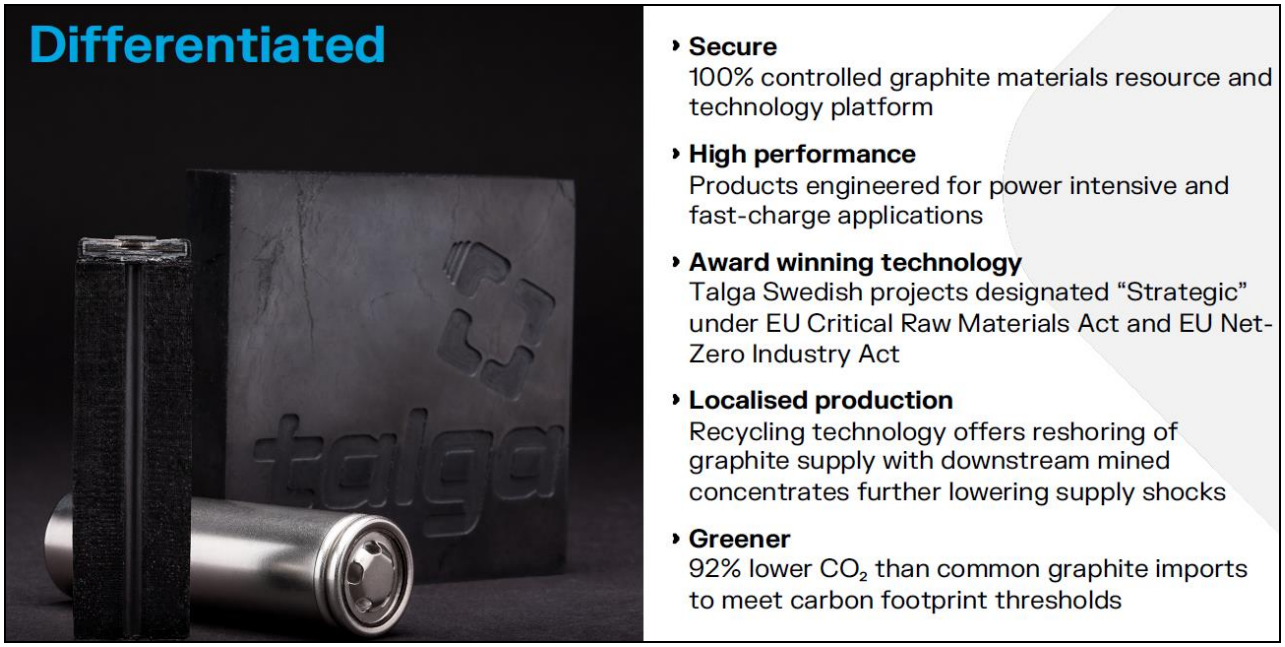
Talga Group Ltd (TLGRF) is an Australian based mining and battery technology company with primary operations located in Sweden. The company produces high-performance, sustainable, new-energy graphite materials using proprietary technologies. Currently, the company manufactures graphite anodes in a pilot plant in Luleå, Sweden with the input primarily being derived from recycled black mass graphite and the company's own mined graphite ore stockpile (27,000 tonnes).



Source: talgagroup.com

The company's current plan is to develop the Vittangi Project which consists of a graphite mine and a manufacturing and refining plant that will produce coated graphite anode for direct sale to battery manufacturers. The Nunasvaara mine is located in northern Sweden approximately 10 kilometers from the town of Vittangi. The company received a mining and environmental permit in 2024 and detailed planning is underway to create a Final Investment Decision (FID). Approximately 290 kilometers south of Vittangi near the city of Lulea, the company is planning to build a low-cost, sustainable graphite Li-ion battery anode production facility. The refinery will use high grade natural graphite from Talga's own deposits from the Nunasvaara mine.

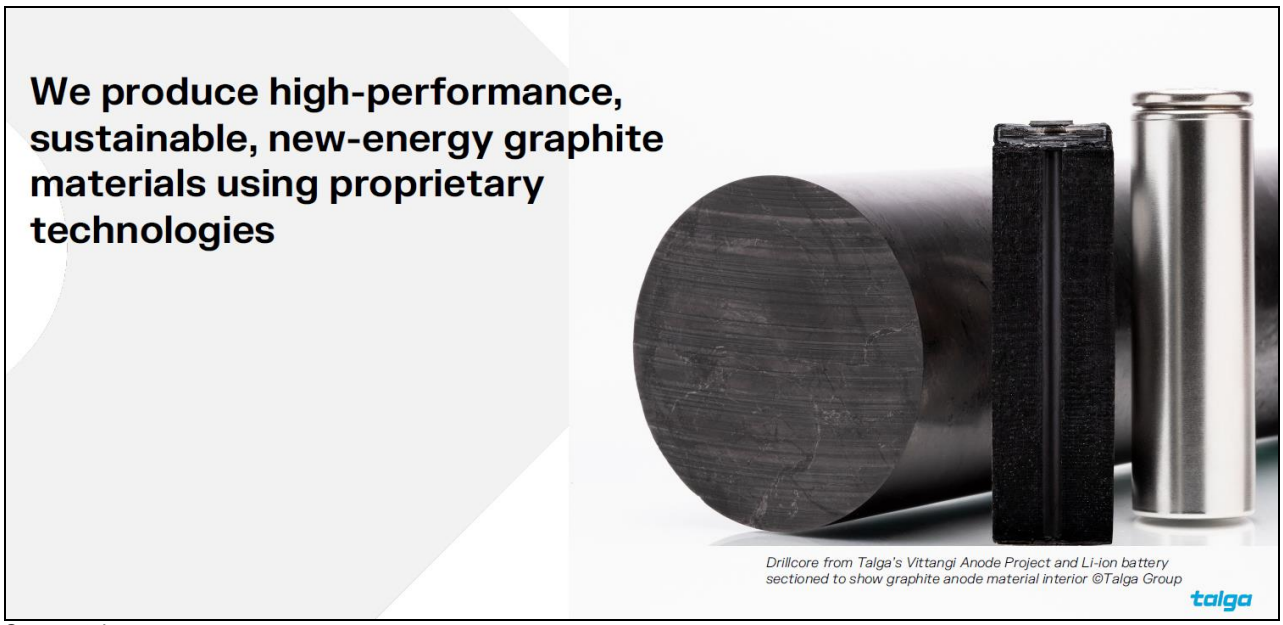
Primary products to be manufactured are graphite Li-ion battery anode which Talga has branded as Talnode®. These include Talnode®-C (made from Nunasvaara natural graphite), Talnode®-R (made from recycled graphite materials), and Talnode®-Si (made from a silicon/graphene composite). The end customer for these graphite anodes are battery cell makers for applications in robotics, defense, electric vehicles, consumer electronics, and energy storage systems.



Source: talgagroup.com

The company has other graphite resources at Jalkunen, southwest of Pajala, and Raitajärvi , as well as copper and cobalt in Kiskama northwest of Nunasvaara, all in the Norrbotten region of north Sweden.

The company's shares are traded on the Australian Stock Exchange under the ticker TLG as well as the OTC Markets (OTCQX) under the ticker TLGRF. The current market capitalization is approximately US$___ million. As of 12/31/25 the company had A$28.4 million in cash which includes A$13.35 million in restricted funds. We believe the company will have sufficient funding sources to execute on its long-term strategic growth plans.



Source: talgagroup.com

VITTANGI INTEGRATED GRAPHITE PROJECT

Mines

The company's initial graphite mining project will be at the Nunasvaara South mine located near the town of Vittangi in northern Sweden. The mine is extremely high grade graphite and has unique geological characteristics that are ideally suited for the production of anode material for lithium-ion batteries, particularly for fast-charge/ high-power applications.

Plans are to extract approximately 110,000 metric tonnes (2,204 lbs per tonne) of high grade natural graphite per year. This graphite ore will be concentrated on site and then processed into lithium-ion battery anode material at the refinery in Luleå (see below). The mine has been designed to operate for roughly six months of the year in order to reduce impact on reindeer herding and migration. The concentrator will operate year-round. The mine has the potential to be expanded and produce over 400,000 tonnes per year of high-value battery anode material in the future.

Mining Concession Holdings as at December 31, 2025

Project/location	Mining Concession	Area (Ha)	Interest at end of Quarter	Acquired during Quarter	Disposed during Quarter
Vittangi Project (Graphite)	Nunasvaara Södra K nr 1	37.92	100%		
Norrbotten County, Sweden	Nunasvaara Norra K nr 1	18.54	100%	100%	
	Niska Södra K nr 1	5.68	100%	100%	
	Niska Norra K nr 1	9.50	100%	100%	

Source: talgagroup.com

From an environmental impact perspective, the mine will implement several leading tailings and waste management practices including the creation of a secure, integrated waste facility. The company also plans to conduct continuous monitoring of dust and noise levels to ensure low environmental impact. The mine will also employ stringent wastewater treatment and monitoring to ensure water quality and groundwater levels remain unaffected by mining related activities. Following the construction phase, the mine will provide jobs for approximately 60 people.

In October 2024, the company received approval on its exploitation concession for the Nunasvaara South mine from the Mining Inspectorate of Sweden. The exploitation concession grants Talga the right to conduct graphite mining activities at Nunasvaara South over a period of 25 years, with options for extensions. This approval followed the Environmental and Natura 2000 permit for the mine being approved in April 2023.

In June 2025, the company announced that all appeals against the Nunasvaara South mine Exploitation Concession were dismissed by the Swedish Government, and the Exploitation Concession granted by the Mining Inspectorate is now in force. All major permits are now in force for the Nunasvaara South mine, which is part of Europe's largest and highest grade JORC classified natural graphite resource.

These approvals position the company to begin detailed planning for its Final Investment Decision (FID). An FID is a key milestone in the development of a mining project. It is typically when the company (or its board of directors) formally approves moving ahead with full-scale construction of the mine.

Total resources at the Nunasvaara South mine (part of the Vittangi project) are 35,000,000 tonnes with a 23.8% graphite concentration (grade %Cg). There are probable reserves at the mine of 2,260,000 tonnes with a grade of 24.1%Cg.

A video overview of the Vittangi Project mine can be found **here** and the anode production plant **here**.

Talga 30 June 2025 Total Mineral Resources

	Tonnes					Contained Mineral	Grade		
Project	**Ore** (Mt)	**Cg** (%)	**Fe** (%)	**Cu** (%)	**Co** (%)	**Cg** (Mt)	**Fe** (Mt)	**Cu** (t)	**Co** (t)
Vittangi Graphite	35.0	23.8	-	-	-	8.3	-	-	-
Jalkunen Graphite	31.5	14.9	-	-	-	4.7	-	-	-
Raitajärvi Graphite	4.3	7.1	-	-	-	0.3	-	-	-
Total Graphite	**70.8**	**18.8**	-	-	-	**13.3**	-	-	-
Kiskama Copper-Cobalt	7.7	-	-	0.25	0.04	-	-	17,000	1,800
Total Copper-Cobalt	**7.7**	-	-	**0.25**	**0.04**	-	-	**17,000**	**1,800**
Vittangi Iron	46.1	-	28.7	-	-	-	13.2	-	-
Total Iron	**46.1**	-	**28.7**	-	-	-	**13.2**	-	-

Source: talgagroup.com

Talga 30 June 2025 Total Ore Reserves

Project	Tonnes Ore (Mt)	Grade Cg (%)	Contained Mineral Cg (Mt)
Vittangi Graphite	2.26	24.1	0.54
Total	**2.26**	**24.1**	**0.54**

Notes:

1. Detailed table setting out the Probable Ore Reserve category is set out in table 8.
2. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
3. All projects are 100% Talga owned.
4. Mineral quantities are contained mineral.
5. Ore Reserves are of Probable Ore Reserve category.
6. Ore Reserve is based on the previously disclosed Mineral Resource Estimate for Nunasvaara South (ASX: TLG 17 September 2020).

Source: talgagroup.com

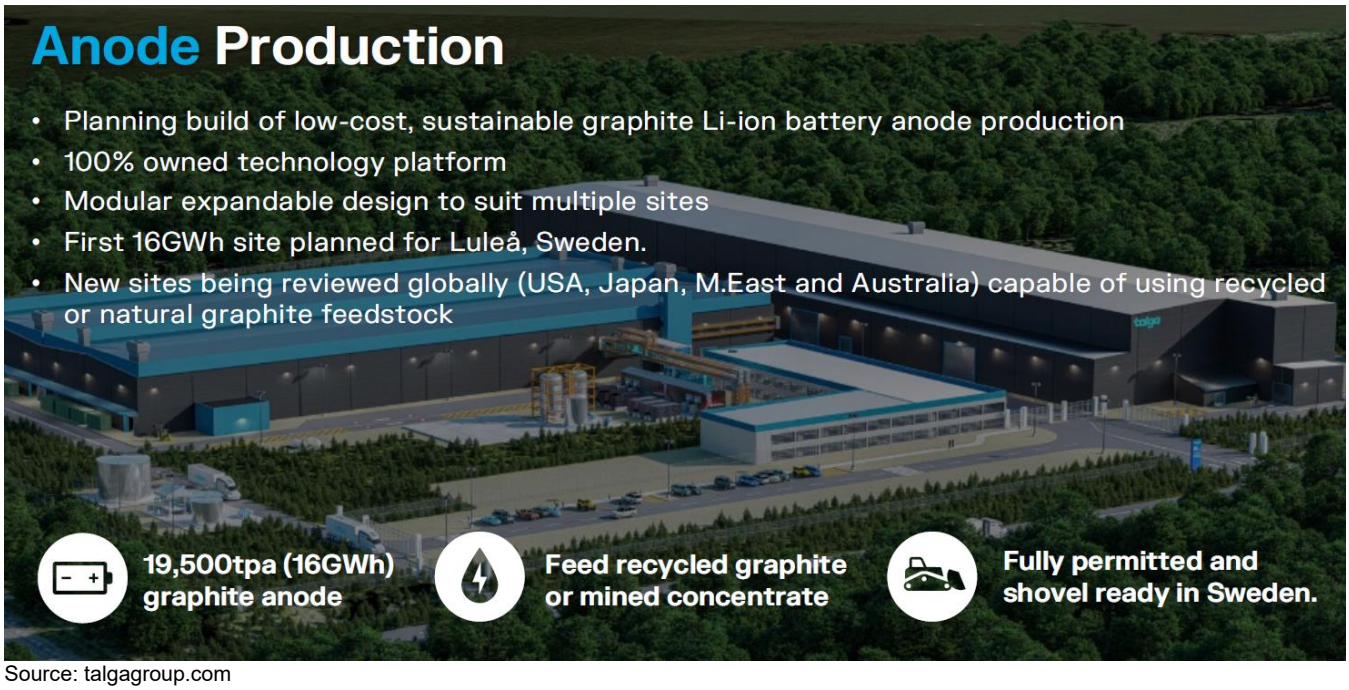
Anode Production Refinery

Talga intends to develop a large scale anode refining plant in Northern Sweden in the town of Luleå, Sweden. This proposed plant is approximately 290 km south of the Nunasvaara mine complex. The refinery, which is believed to be the first of its kind in Europe, will manufacture sustainable active anode material for greener lithium-ion batteries. The plant will be located in the Luleå Industrial Park. This is a strategically important industrial park where major industrial players gather to drive the green industrial transition. Luleå has become the center of the emerging green industry cluster in Sweden and provides access to renewable electricity, direct transport routes to battery and automotive manufacturers, a leading science university and a skilled workforce.

The Anode Refinery will produce natural graphite anode material for lithium-ion batteries used in electric vehicles, consumer electronics and energy storage solutions. The refinery uses high grade natural graphite from Talga's own deposits near Vittangi. The refinery can also use recycled graphite due to the company's innovation and proprietary processes.

The facility will have a total building area of approximately 36,000 square meters. Total capacity is expected to be at a production rate of 19,500 tonnes of anode material per year. In the first full year of operations, production will likely be around 5,000 tonnes and increase gradually from there as the plant operates more lines. 19,500 tonnes of graphite anodes is the equivalent of approximately 16 GWh of battery capacity, or approximately 250,000 electric vehicles per year. Power requirements are estimated to be 40Mw for that level of production. Primary construction is likely to commence in the 2nd half of 2026 subject to the FID.

Power for the plant is to come from Norway's Hydropower network. By using low cost renewable electricity, high grade graphite ore and proprietary technology, the plant can produce low emission battery anode material. Compared to the imported anode materials currently used in Europe, production of Talga's battery anode material has up to 92% less CO2-eq emissions. This reduction is made possible thanks to local renewable electricity as well as Talga's high grade natural graphite ore and unique processing technology.



Source: talgagroup.com

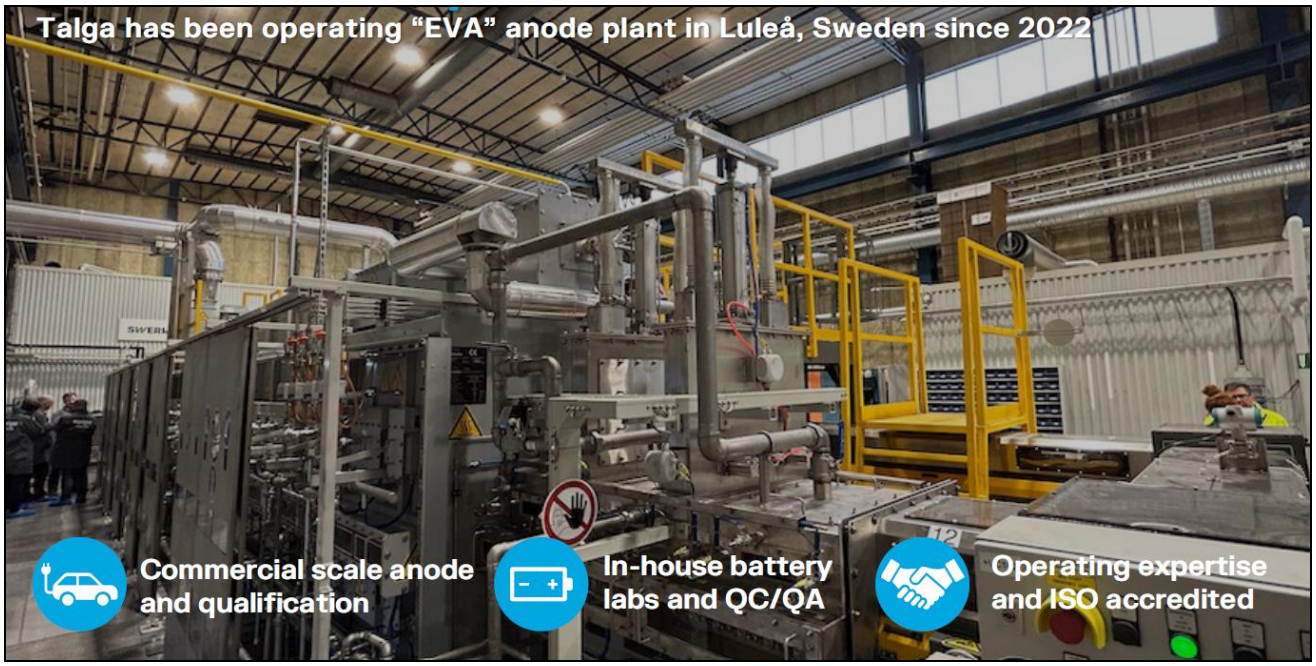
Current EVA Plant

Talga is currently operating a smaller scale R&D, or pilot anode plant which was commissioned in 2022. and is located in the same area outside of Lulea close to where the new large scale plant will be built. The EVA facility is understood to be Europe's first Li-ion battery anode plant. Talnode®-C being produced at the plant has the lowest CO2-eq profile in the world for coated anode. Produced Talnode®-C has been shipped to battery cell makers to undergo next stage commercial testing. Talga has received engagements from 23 battery manufacturers and major automotive OEMs for Talnode®-C produced at the EVA plant. Since 2022, Talga has shipped tens of tonnes of graphite anodes to customers.


Source: talgagroup.com

The plant is operated on a batch basis to serve various customers and testing programs. Full notional nameplate capacity is approximately 50 tonnes per year, but it is not operated on a continuous basis.

The graphite ore used in the current plant (and future plant) is fine flake highly crystalline ore body which is one of the reasons the plant is expected to produce lower yield losses in the shaping phase. However, this also means more difficulties in coating fine particles. The company has invested heavily in R&D to perfect its coating technology to treat this type of ore.



Source: talgagroup.com

Financing

Total capex estimates for the full Vittangi project (mine and refinery) are approximately €560 million. Project financing is expected to be roughly 60% debt and 40% strategic equity. The final funding strategy will be based on negotiations with potential partners and financiers, as well as the conditions of the equity capital markets and debt financing opportunities at the time of the FID.

Source: talgagroup.com

In 2023, the refinery project was awarded a €70 million grant from the EU Innovation Fund. The grant funding is in addition to the Vittangi Anode Project debt package, which consists of €150 million in debt from the European Investment Bank. In addition, Talga secured a SEK210 million (~AU$31 million) environmental bond facility. This is expected to cover the debt target of the project (up to 60%).

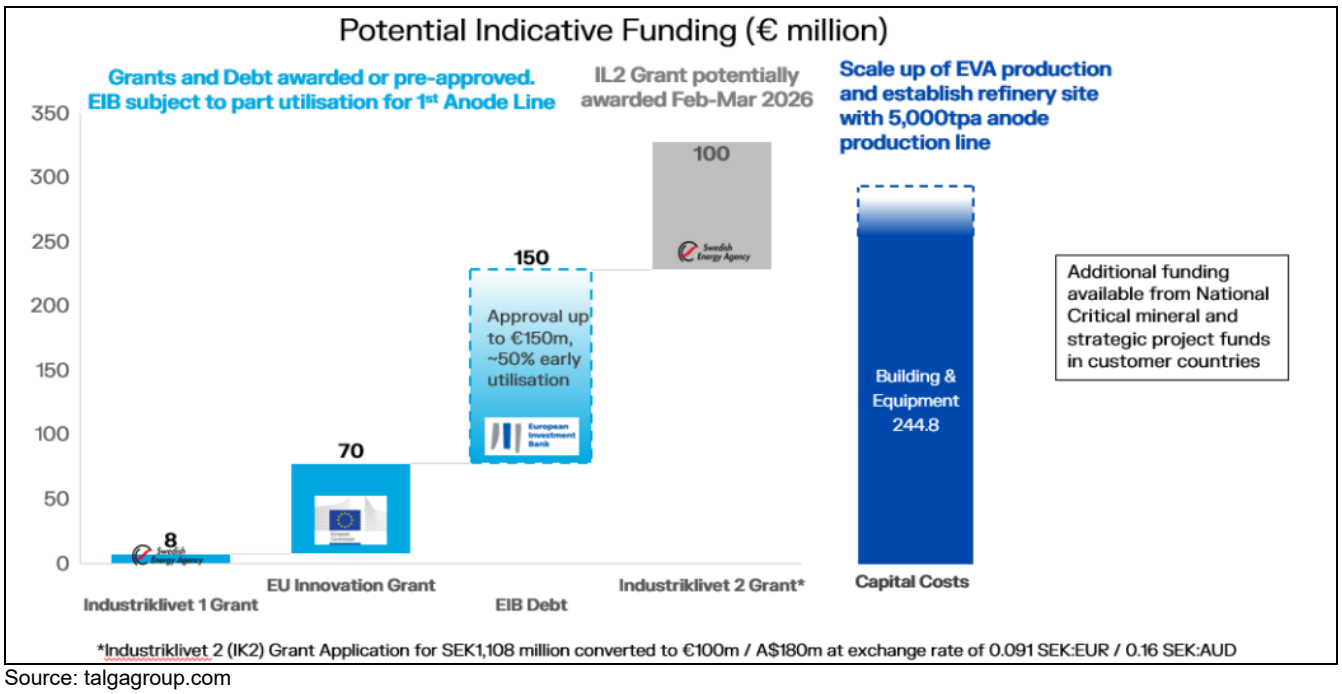
Finalization of project debt facilities is subject to completion of definitive debt facility documentation, which are expected to include customary project financing terms and conditions. Prospective funding options, focused at the project level and in the offtake process, for the remaining equity are being developed:

- Advanced Talnode®-C offtake discussions with battery customers across EV, BESS and 3C markets
- Strategic Project partners, under the EU's Critical Raw Materials Act and other international government initiatives

In the quarter ending June 30, 2025, the company raised A$10 million from institutional and accredited investors including Board Directors through the placement of 25 million new shares at an issue price of A$0.40 per share with one free attaching option for every three new shares.

On December 3, 2025, the company announced it had applied for a 1.1 billion SEK (~A$180 million) grant under the Swedish Energy Agency's Industrial Leap program to be used for the construction of anode production facility in Luleå, Sweden. Grant approval (if successful) would be confirmed in the 1st quarter of 2026.

The new combined funding stack positions Talga with a substantial amount of the capital required for the initial 5,000 tpa commercial-scale anode production line, including associated plant and infrastructure for the larger Luleå anode plant.



Source: talgagroup.com

Offtake Agreements

In May 2025, the company signed a binding offtake agreement with fast-charge pioneer Nyobolt for a multi-year supply of Talnode®-C graphite anode. Nyobolt has validated Talnode®-C in its proprietary fast-charging battery technology that is being deployed in a wide variety of applications including AI data centers, heavy-duty vehicles and robotic warehouses.

Under the agreement, Nyobolt commits to purchasing roughly 3,000 tonnes of Talnode®-C at a fixed price for an initial term of four years starting in May 2025. Initial supply will be from Talga's R&D demonstration plant in Luleå, with the balance to be from the new commercial Anode Refinery in Luleå planned for development later in 2026.

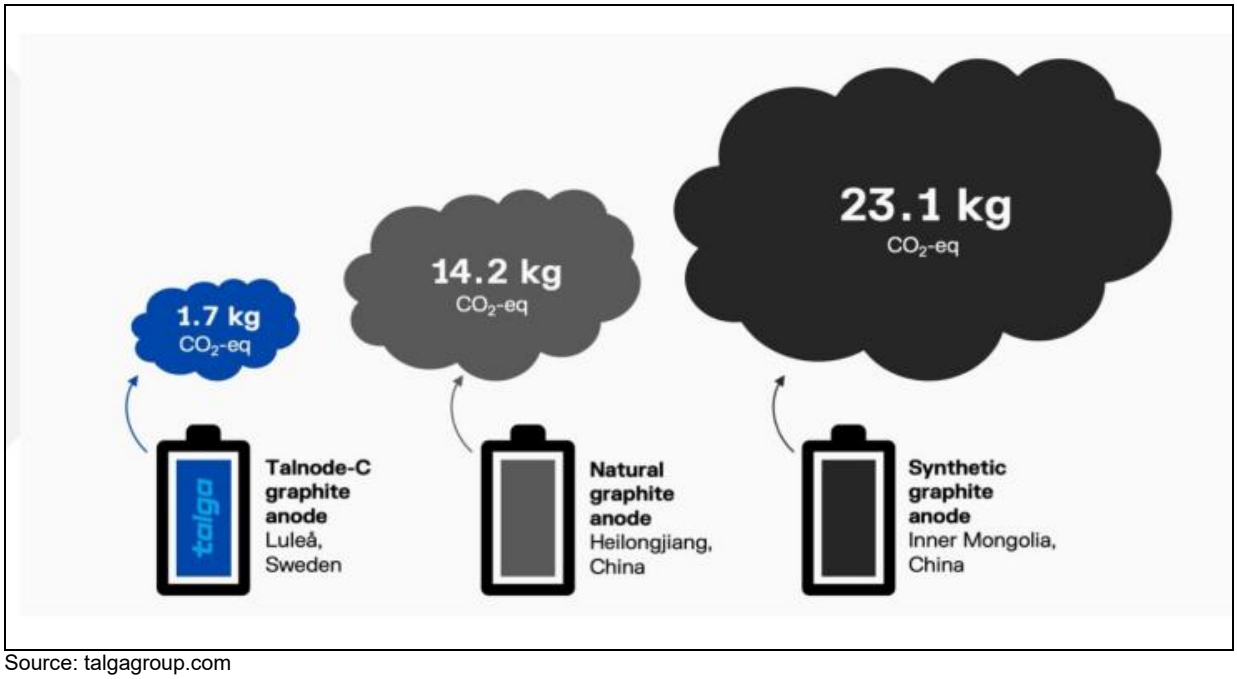
Approximately six other customers in the EU have completed validation and qualification, and commercial negotiations are underway targeting completion in time for first stage FID in 2026. This includes discussions regarding offtake as part of strategic investment.

Separate discussions are underway with anode makers, chemical conglomerates and battery makers interested in creating blended products using Talga's feedstocks. These focus more on joint venture production opportunities.

PRODUCTS

Talnode®-C Power Series

This is the company's flagship product made from unique Swedish high-grade natural graphite and proprietary coating processes, creating an industry-leading fast-charge and low emission active anode. Talnode®-C can be tuned for high-rate applications or as a blended product using the company's 100% vertical integration control. The product is characterized by low ohmic resistance (the current running through it is directly proportional to the voltage across it) and low swelling. This provides an exceptional fast charge and low temperature performance for power-hungry applications in battery storage, defense, electric vehicle, hybrids and consumer electronics.



Source: talgagroup.com

Talnode-R Series

This product is a graphite anode made from repurposed production scrap or black mass graphite. Produced in a proprietary process, Talnode®-R Series aims to improve localization and circularity by reintroducing spent graphite anode into new lithium-ion battery production. This will help increase self-reliance, reduce landfilling or burning of waste battery materials and decrease greenhouse gas emissions associated with synthetic graphite's fossil fuel precursors.

The production process starts with graphite concentrate sourced from battery recyclers, who extract it from their 'black mass' waste streams. Talga then purifies this graphite to battery-grade 99.95% purity using its advanced hydrometallurgical technology, followed by proprietary shaping and coating steps to produce anodes that match the performance of new synthetic graphite anodes.

This is an important product for the company as it creates opportunity to expand anode production sites globally, utilizing either mined graphite and recycled graphite or both.

Talnode®-Si

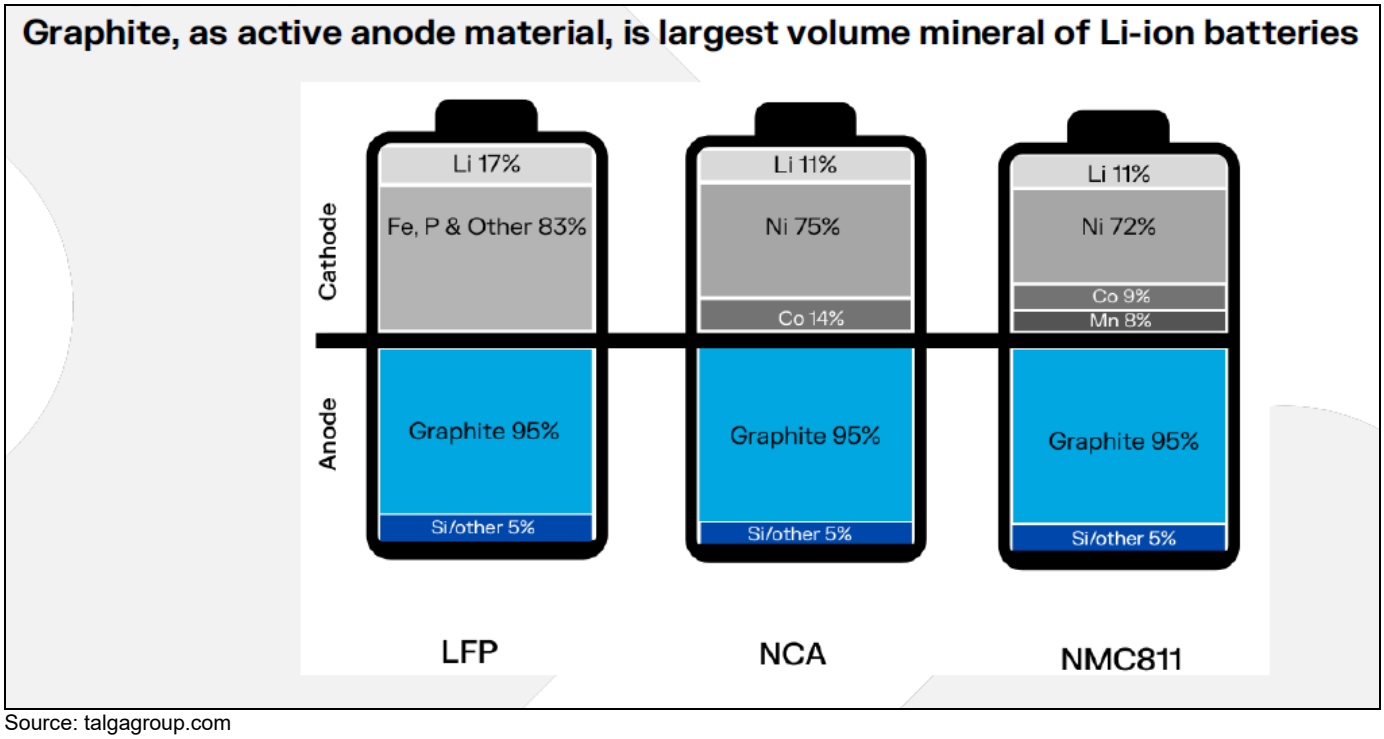
This product is a silicon-carbon composite for use as an energy-boosting product in commercial graphite battery anodes. The drop-in design uses proprietary technology to enable low swelling and commercial production calendaring pressures in a lower cost and highly scalable manufacturing process.

GRAPHITE BACKGROUND

Graphite has a long history dating back thousands of years. Small but rich deposits were found in England in the 16th century where high-grade graphite was used to make molds for cannonballs. This discovery marked the beginning of graphite's industrial importance, and it eventually became central to the production of pencils, once wood casings were combined with graphite rods in the late 1700s.

Scientists eventually came to understand that graphite is a crystalline form of carbon, related to diamonds but with a different atomic structure that makes it soft, slippery, and highly electrically conductive. In the 19th and 20th centuries, graphite found applications in lubricants, crucibles for high-temperature metalwork, and as a moderator in nuclear reactors because of its ability to slow down neutrons without absorbing them. The demand for graphite grew alongside advances in steelmaking, energy production, and technology, but its use in Li-ion batteries has been a recent new development.

Today, graphite plays a critical role in modern industries. It is a key component of lithium-ion batteries, which power everything from smartphones to electric vehicles, making it essential to the renewable energy transition. Graphite is also used in brake linings, refractories, electrodes for arc furnaces, and specialized coatings due to its thermal stability and conductivity. With the global push toward clean energy and electric transportation, the demand for graphite is expected to continue rising, making it one of the most important industrial minerals of the 21st century.



Source: talgagroup.com

Natural and synthetic graphite differ in origin, structure, and applications. **Natural graphite** is mined directly from deposits around the world, with large reserves found in China, Africa, Canada and Europe. It occurs in three main forms: flake, amorphous, and vein graphite. Natural graphite is valued for its high crystallinity and natural conductivity, making it ideal for use in refractories, lubricants, and battery anodes. However, its consistency varies depending on the deposit, and it requires careful processing to meet the quality standards needed for advanced industries.

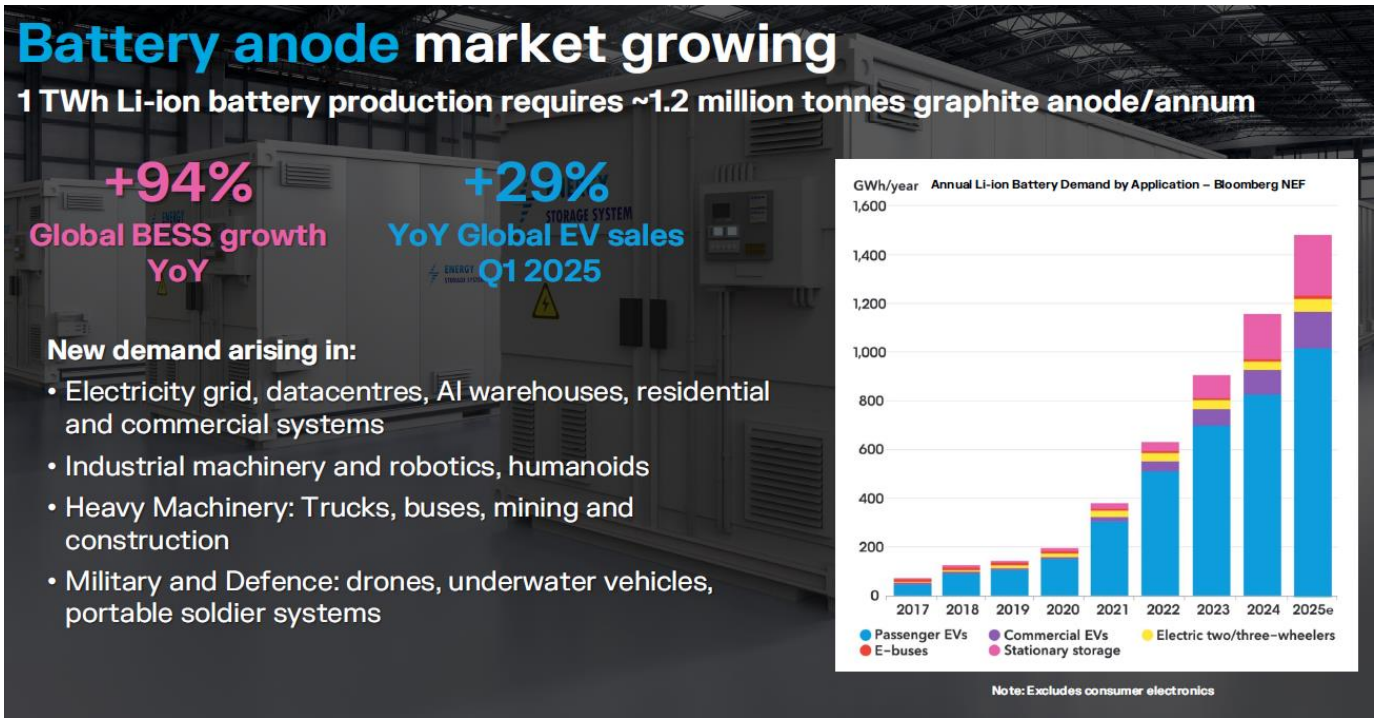
Synthetic graphite is mostly man-made. It is typically produced by heating petroleum coke or coal tar pitch to extremely high temperatures (over 2,500°C), which reorganizes the carbon into a graphite structure. Synthetic graphite is usually more expensive to produce but has higher purity and consistency than natural graphite. These properties make it essential for specialized applications like electrodes in electric arc furnaces, high-tech aerospace components, and nuclear reactors.

In many industries, both types of graphite are used, sometimes even blended together to balance cost and performance. For example, in lithium-ion batteries, natural graphite is favored for its charging efficiency and energy density, while synthetic graphite is prized for its stability and long cycle life. As demand for batteries and clean energy technologies grows, the interplay between natural and synthetic graphite will remain central to meeting global supply needs.

INDUSTRY ANALYSIS

The graphite anode market for battery anode is a growing industry with demand from a variety of sources. In addition to traditional demand coming from Lithium Ion batteries used in electric vehicles, there is also demand coming from:

- Electricity grid, AI datacenters, warehouses, and residential and commercial systems
- Industrial machinery and robotic equipment, humanoids
- Heavy machinery such as trucks, buses, mining and construction
- Military and defense such as drones, underwater vehicles, and soldier equipment systems



Source: talgagroup.com

Global Battery Energy Storage Systems (BESS) growth is strong, with the market projected to exceed $30 billion by 2030 and grow at a CAGR of over 20% in many forecasts. This is primarily driven by the need to integrate intermittent renewables like solar and wind, stabilize power grids, and support decarbonization efforts. It is estimated that 1 TWh of lithium-ion battery production requires approximately 1.2 million tonnes of graphite anode material. BloombergNEF predicts 35% growth in global energy storage systems in 2025, reaching 94 GW by the end of the year. Analysts are forecasting the consumption of graphite anode used in all end markets to grow from 1.6 million tonnes to 5 million tonnes over the next decade.

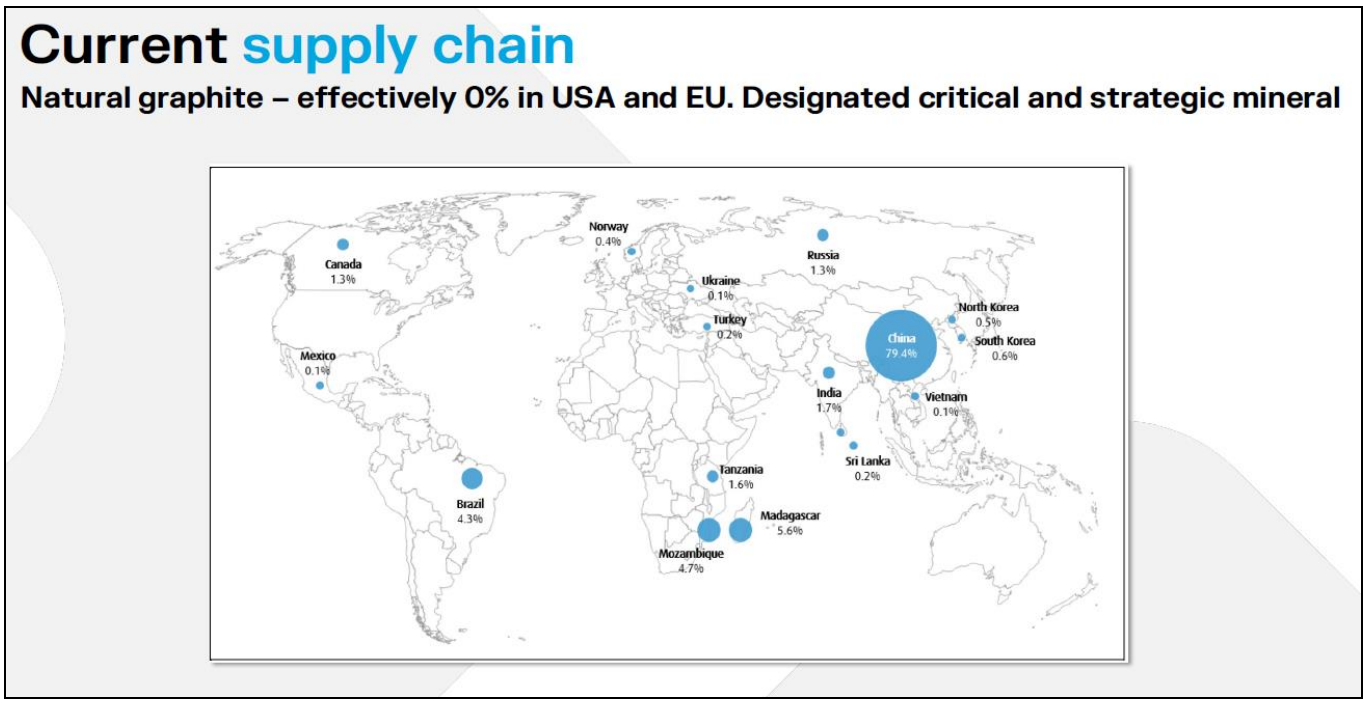
Natural graphite is mostly mined in China with almost an 80% market share. Essentially, none of the natural graphite is mined in the U.S. or Europe, despite this being deemed a critical and strategic mineral by most international governments and defense organizations. In terms of anode production, China produces 92% of natural graphite anodes and 98% of synthetic graphite anodes.

The production of synthetic graphite anodes utilizes fossil fuels and is not considered a clean energy production process. This compares to Talga which utilizes a “cleaner” process due to the use of renewable electricity, high grade natural graphite ore, and a high-yield process technology. It is estimated that Talga’s anode production results in 92% less emissions compared to China’s synthetic graphite anode production process.

Source: talgagroup.com

More recently, the Chinese market for raw graphite materials remained in a low-price environment during the quarter ending June 30, 2025, with some producers in China and Africa cutting production and others delaying the start of new projects. Some analysts have indicated prices are at or near the bottom and in Nov-Dec 2025, some reported prices have started to increase.

According to Fastmarkets data on EV sales, one of the key drivers of battery anode graphite demand, showed continued signs of recovery in Europe with a rebound of sales in Germany and other major markets (except France). However, U.S. sales dropped more than 5% compared to the prior year period due to the removal of consumer tax credits and trade war uncertainties.



Source: talgagroup.com

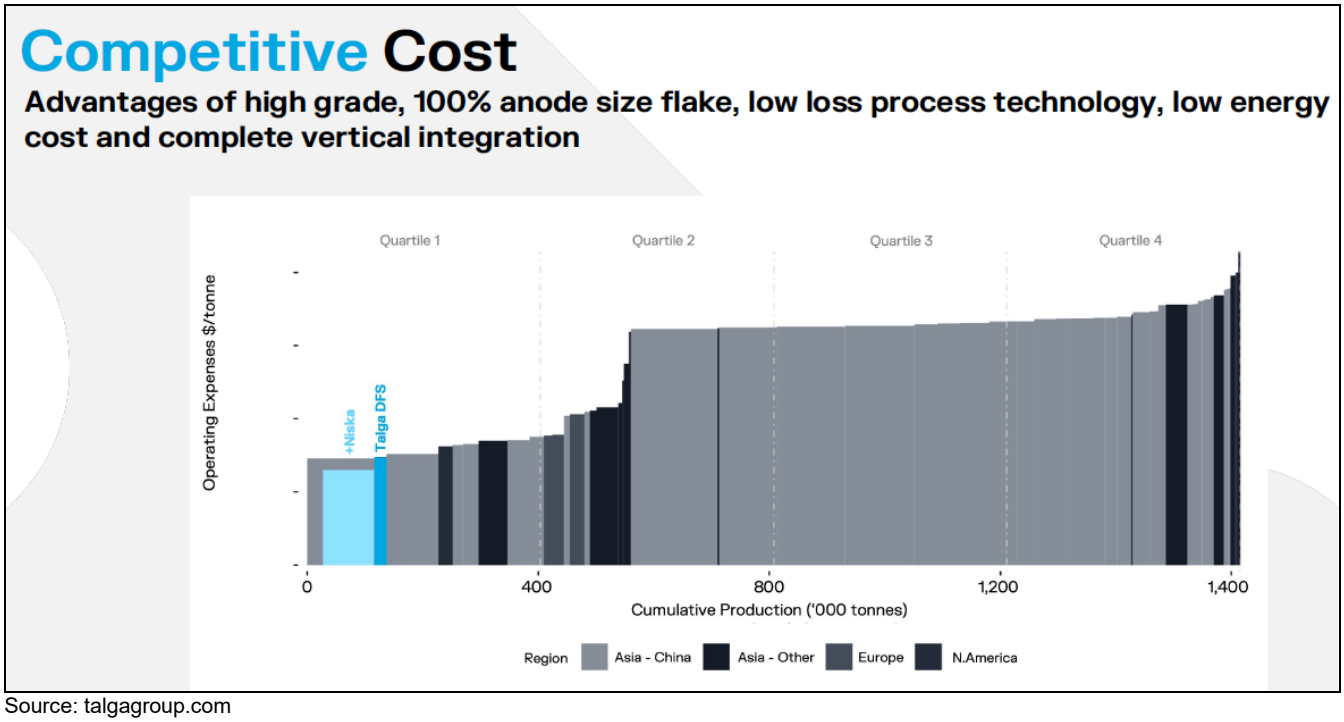
In October 2025, China's Ministry of Commerce (MOFCOM) and the General Administration of Customs announced new export controls on specific lithium battery components and graphite anode materials to take effect on November 8, 2025, then deferred implementation to November 8, 2026. These measures expand upon previous restrictions, such as those on natural graphite implemented in December 2023, by now including synthetic graphite anode materials and blends of artificial and natural graphite. The controls require exporters to obtain licenses for these items, aiming to safeguard national security and protect strategic interests in the global supply chain.

The restrictions specifically target graphite-related production technologies and equipment, including vertical and continuous granulation reactors with capacities of 5m³ or greater, graphitization equipment such as box furnaces, Acheson (high-temperature electric resistance) furnaces, internal series furnaces, and continuous graphitization furnaces, as well as coating and particle modification equipment.

This expands China's dominant position in graphite production, where it supplies approximately 99% of the world's battery-ready graphite and anode production technologies. Most Western companies use Chinese technology and processing equipment in some part of their production (except Talga), so these export controls are likely to impact global battery supply chains in the near to mid time frame.

COMPETITIVE ADVANTAGES

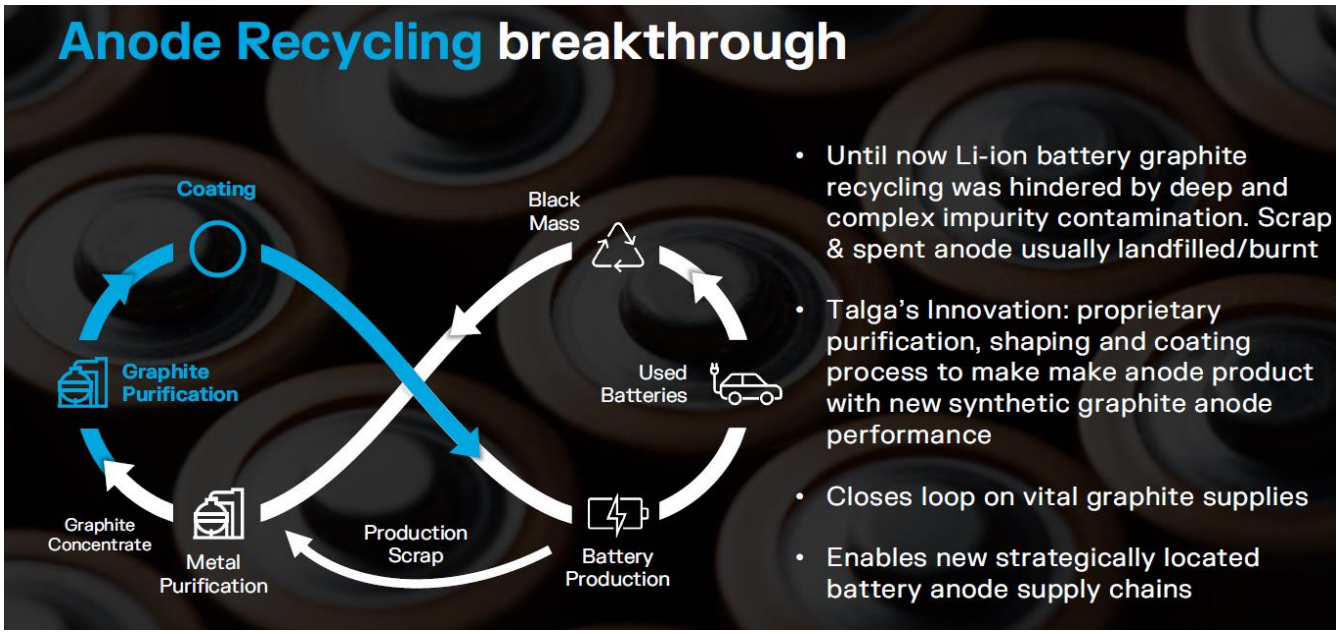
Talga Group has established itself as a potential leader in the graphite anode sector by leveraging a unique combination of cost efficiency, technological innovation, and sustainability. Its competitive advantages stem from its ability to produce anodes at a lower cost than most competitors, supported by high-grade, 100% anode-size flake, low-loss process technology, and lower energy costs. This efficiency is further strengthened by complete vertical integration, allowing Talga to control every stage of production from mine to finished anode.



Source: talgagroup.com

A major breakthrough for the company lies in its proprietary recycling program. Historically, recycling graphite from lithium-ion batteries has been limited by deep impurity contamination, leaving most spent

anodes to be disposed of in landfills or incinerated. Talga's innovation, an advanced purification, shaping, and coating process, solves this challenge by transforming waste material into high-performance anodes comparable to new synthetic graphite. This development not only closes the loop on critical graphite supplies but also creates opportunities for new, strategically located anode supply chains.

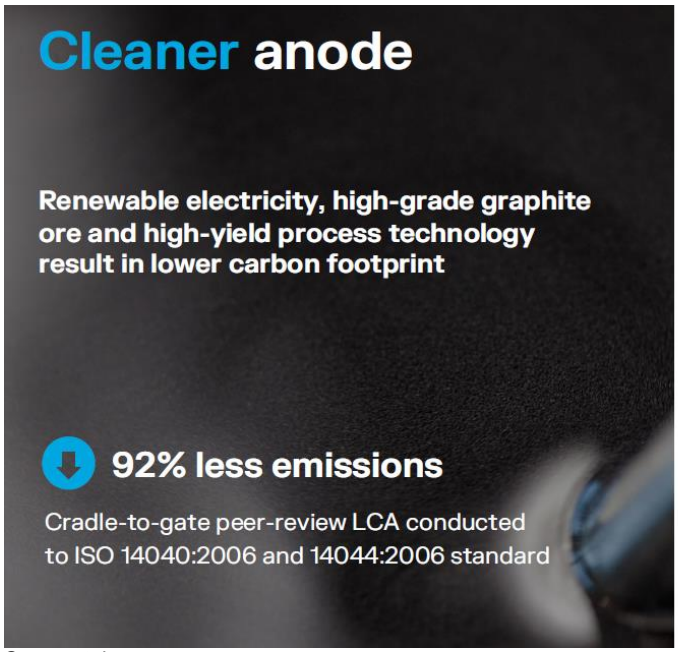


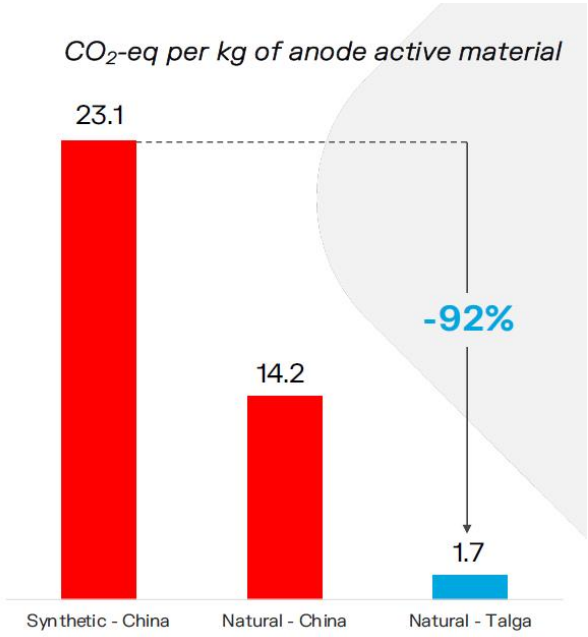
Source: talgagroup.com

Talga's downstream mine-to-anode technology has already been proven and is adaptable for replication worldwide. Since 2022, its EVA pilot production plant has been operating with a platform of integrated purification and coating processes, backed by detailed feasibility and engineering studies. This design enables the company to scale production quickly while taking advantage of growing graphite waste volumes and the global push for non-Chinese anode supply.

In addition, Talga holds a strong intellectual property portfolio. It has 79 patents in place and 16 applications across 16 active patent families. Its patented platforms are already granted in the United States, with additional patents for recycling innovations progressing globally. These advancements align closely with international policy goals, including the EU Critical Raw Materials Act (CRMA), which mandates 25% domestic recycling capacity for strategic materials by 2030. Talga's work directly supports this circular economy vision, while also unlocking access to sustainability-driven grants and incentives across Europe and the U.S.

The company's strategy is also helped by active partnerships and feasibility studies. In addition to projects in Sweden and the UK, Talga is advancing negotiations in the U.S. and Japan, building on joint development agreements with Altilium Metals and global recycler Aurubis. These efforts strengthen its global footprint and position the company to serve Western markets facing a critical deficit in domestic graphite anode capacity.





Source: talgagroup.com

Anodes that are currently being manufactured by competitors typically use a mix of synthetic and natural graphite. These blends are typically 50% synthetic / 50% natural or 70% synthetic / 30% natural. This is due to the performance characteristics of each, in which natural graphite has greater charge capacity and synthetic graphite has a longer life. Recycled material is predominantly synthetic graphite which allows Talga to provide a blended solution in-house. We do not believe current competitors have that offering yet.

As demand for lithium-ion batteries accelerates and supply chains shift away from China, Talga's integrated model, advanced recycling technologies, and international expansion provide a clear competitive edge. By combining cost leadership with sustainability, the company is not only creating a long-term growth business model but also playing an important role in building resilient and environmentally responsible energy storage supply chains on a global basis.

COMPETITION

The competition for developing graphite anodes from **synthetic** graphite is very large with over 100 companies operating in this space and dominated by Chinese producers. However, the competition for developing graphite anodes from **natural** graphite is significantly smaller.

Some of the largest players in the natural graphite space include BTR New Material Group (China), POSCO Holdings (South Korea), and Mitsubishi Chemical (Japan).

As mentioned above, we believe Talga has many competitive advantages compared to these larger players in this space.

OTHER MINING ASSETS

Although the company will initially focus on exploiting the Nunasvaara South mine, they also own a significant amount of other mining resources. In the Vittangi alone, total resources are approximately 35,000,000 tonnes at 23.8% graphite ore grade, consisting of linked deposits Nunasvaara North, Nunasvaara East, Niska North, Niska Link, and Niska South.

Vittangi Graphite Project (Nunasvaara and Niska Deposits) – JORC (2012) Resources at 12.5%Cg cut-off

Deposit	JORC Resource Category	Tonnes	Grade Cg (%)
Nunasvaara South	Indicated	8,406,000	25.0
	Inferred	2,737,000	24.5
Nunasvaara North	Indicated	4,138,000	27.6
	Inferred	1,464,000	17.2
Nunasvaara East	Indicated	2,942,000	23.5
	Inferred	1,466,000	23.0
Niska North	Indicated	7,503,000	23.3
	Inferred	1,621,000	23.0
Niska Link	Indicated	974,000	17.5
	Inferred	815,000	20.3
Niska South	Indicated	2,728,000	23.1
	Inferred	225,000	19.7
Total	**Indicated**	**26,691,000**	**24.3**
	Inferred	**8,329,000**	**22.1**
Total		**35,020,000**	**23.8**

Source: talgagroup.com

Other potential mining projects in Northern Sweden include the Jalkunen Graphite Project (31,500,000 tonnes Inferred resources), Raitajärvi Graphite Project (900,000 tonnes Inferred resources) and Kiskama Copper-Cobalt Project (7,672,000 tonnes Inferred resources).

The company also currently holds many different tenements in Sweden (see Appendix A).

RECENT NEWS

- On December 3, 2025, the company announced it had applied for a 1.1 billion SEK (~A$180 million) grant under the Swedish Energy Agency's Industrial Leap program to be used for the construction of anode production facility in Luleå, Sweden. As discussed above, this project represents Talga's "Industrial Leap" from its existing Electric Vehicle Anode (EVA) demonstration plant to commercial scale production of Talnode®-C and Talnode®-R sustainable graphite anode products. Grant approval (if successful) would be confirmed in the 1st quarter of 2026.

- On October 17, 2025, the company announced that it had been awarded A$13.3 million in state aid under the Swedish Energy Agency's Industrial Leap program. Sweden's Industrial Leap program is part of the EU Recovery and Resilience Facility and Next Generation EU and is a government initiative run by the Swedish Energy Agency.

  The funds were received by the company on November 20th, 2025 and will partly fund the "*Sustainable, low emission active anode material made from natural graphite and recycled graphite*" project which has a total value of A$30.8 million. The project will validate this low-emission, low-cost process at near-industrial scale, informing engineering design for the commercial plant and completing qualification of these anode products with customers. The project is to be completed by June 30, 2026

- On October 14, 2025, the company announced that the U.S. Patent and Trademark Office ("USPTO") has granted three new patents for its proprietary graphite-based technologies. This development strengthens Talga's intellectual property portfolio for advanced battery anode materials and processes which coincides with China's implementation of stricter export controls on lithium-ion battery graphite materials, technologies and production equipment, which goes into effect on November 8, 2025 (see above).

  The USPTO has granted the company a patent for Tanode®-C. This patent secures exclusive U.S. rights to the material and its production technology until 2042, following application approval in July 2025.

  Talga also received U.S. Patent #12,424,627, covering its process for grinding, spheronizing, and coating graphite to form oblate spheroid particles for battery anodes. This technology enables:

  • Faster charging through improved lithiation kinetics
  • Higher energy density for more compact batteries
  • Better low-temperature performance and safety

  U.S. Patent #12,434,973 protects Talga's hydrometallurgical purification method for producing battery-grade graphite from natural or recycled sources. This process is fully owned by Talga and independent of China-based technology..

  U.S. Patent #12,398,040 covers a graphene production method using a chemical "linker" that enables dry functionalization for metal coatings. Benefits include:
  • A ready-mix product that reduces toxic solvents and handling costs
  • Lower additive volumes and production costs
  • Greater formulation flexibility, including reduced zinc use without loss of corrosion resistance

  This innovation extends Talga's applications beyond battery materials into protective coatings for infrastructure, automotive, and aerospace industries. Talga also holds equivalent protections under the Madrid Protocol and other international IP laws.

- On September 24, 2025, the company announced it has signed a non-binding Supply Agreement with Aurubis AG, a leading global provider of non-ferrous metals and one of the largest copper recyclers worldwide. This agreement enables Talga to secure high quality recycled graphite from lithium-ion battery production scrap, supporting the manufacturing of its Talnode®-R active anode product. Under the terms of the agreement, Aurubis intends to begin deliveries of recycled graphite from battery foils to Talga in 2028, with volumes scaling to a maximum of 10,000 tonnes per year by 2030.

  This initial agreement covers a period of up to three years from 2030 and the parties can agree to terminate or negotiate further extensions during this time. This agreement builds on the Development Agreement made between Talga and Aurubis in September 2024 in which Talga's pilot program

successfully produced battery-grade anode material from recycled black mass from battery and production scrap. Using the Aurubis feedstock, Talga's R&D team achieved product purity of 99.95%C, surpassing industry performance benchmarks and validating the technology's scalability.

- On September 9, 2025, the company announced the signing of a non-binding Strategic Cooperation Agreement with United Catalyst Corporation (UCC) of South Carolina, U.S. This agreement marks Talga's entry into the U.S. market and lays the groundwork for potential new battery graphite recycling and anode facilities. Leveraging its proprietary downstream anode production technology, Talga is among the first globally to demonstrate the regeneration of spent battery waste graphite for use in EV quality Li-ion batteries, recently announced for its Talnode®-R product. UCC, a privately owned company with over 30 years of expertise in high-value automotive and precious metals recycling, operates high-quality processing and precious metal recovery facilities, with an extensive network of feedstock suppliers, transport logistics and established permitting for recycling materials, UCC is positioned as a valuable player in the growing circular economy for critical minerals in the US.

  The agreement combines UCC's proven capabilities in auto-industry recycling with Talga's advanced expertise in battery graphite and anode materials, creating synergies in areas such as technology and resource sharing and operational synergies. By expanding parts of Talga's operation from Europe to the U.S., particularly South Carolina, the company gains a foothold in the so-called "Battery Belt," a growing region for EV and battery production.

MANAGEMENT

Mark Thompson
Managing Director & Founder

Mr Thompson has over 30 years' global experience in the geoscience and mineral industries including project discovery, development, technology and management. He is a member of the Australian Institute of Geoscientists, the Society of Economic Geologists and the Society of Vertebrate Paleontology.
Mr Thompson founded Talga and previously founded and served on the Board of ASX-listed Catalyst Metals Limited. Mr Thompson was a Non-Executive Director of Gibb River Diamonds Limited.

Martin Phillips
Chief Executive Officer

Mr. Phillips is an experienced project manager, commercial manager and company director with over 25 years of global metals and mining sector experience. As Talga Group's CEO, Mr Phillips oversees the establishment of the company's vertically integrated, low-emission battery and advanced material production. This encompasses mine and production plant development in northern Sweden, pilot processing operations in Germany and product R&D in Cambridge, UK. Mr Phillips holds a Bachelor of Chemical Engineering (Honors) and a Graduate Diploma in Applied Finance and Investment.

Anna Motta
Chief Technology Officer

Ms. Motta is a chemist with over 20 years of expertise in carbon nanomaterials and extensive experience in managing R&D programs. She heads up Talga's technologies and advanced materials unit focusing on the development of next generation products. She was formerly the manager of several research programs at Cambridge Graphene Centre with particular focus on industry partnerships and technology transfer. Previous positions include science and management roles at the National Research Centre of Finland and the University of Cambridge.
Sascha Keen
Group Director of Corporate Finance

Mr. Keen has over 30 years of experience in banking, project finance and strategy across mining, energy and infrastructure sectors with groups such as Mitsui & Co and NM Rothschild & Sons. He's the former Chief Strategy Officer of Savannah Resources plc.

VALUATION

We believe that Talga Group is poised to produce rapid and high margin revenue growth over the next 5-10 years as the Vittangi project (both mine and plant) becomes fully operational. When the refinery reaches full capacity, the entire project could generate over A$200 million in high margin revenue. We believe the company will generate positive EBITDA and net profits in the 2028 fiscal year ending 6/30/28.

Our primary valuation tool utilizes a Discounted Cash Flow process. Under the scenario described below, our DCF based valuation target is approximately **US$1.71** per share. Our target price may be conservative as it utilizes a high discount rate of 15.0% due to the unpredictability of earnings, higher prevailing interest rates, and the timeline for reaching full scale commercialization.

We also utilize forward Price / Revenue multiples relative to peers as a backup methodology to create a target price for TLGRF stock. Separately, we also add an in situ analysis to create a range of values for the graphite mines.

We apply an 11.9x revenue multiple to FY 2028 revenues and discount back at a 15% annualized rate. This methodology provides a value of approximately **US$1.03** for TLGRF stock.

Based on this range of values, we arrive at a near-term price target of **US$1.50 per share**. As the overall project development continues to progress throughout CY 2026 and CY 2027, there appears to be substantial upside above that target price.

TOTAL VITTANGI **Tonnes Potential (million tonnes)**		**Inferred** **8.3**	**Indicated** **26.7**
Graphite Price (per tonne)	**$900**		
Discounted Value (millions)	***2.5%***	**$186.8**	**$600.8**
Additional Tonnes (stockpile)		**0.3**	**0.3**
Additional Tonnes		**0.0**	**0.0**
Total Additional Tonnes		**0.3**	**0.3**
Dscounted Value Additional Tonnes		**$6.1**	**$6.1**
Dscounted Value TOTAL Potential Tonnes		**$192.8**	**$606.8**
Asset & Equipment Values #1		**$0.0**	**$0.0**
Asset & Equipment Values #2		**$0.0**	**$0.0**
TOTAL ASSET VALUE		**$192.8**	**$606.8**
Net Debt		**$0.0**	**$0.0**
NET ASSET VALUE		**$192.8**	**$606.8**
Shares Outstanding		**456**	**456**
NET ASSET VALUE PER SHARE		**$0.42**	**$1.33**

Source Zacks SCR analyst

Although we have not incorporated the value of the Vittangi mine into our price target at this time due to its non-operating status, we believe it's worth noting for investors the long-term value potential of the mine. Based on a discounted calculation of Inferred and Indicated resources for the Vittangi mines, we believe the mine on its own could be valued between **US$0.42** and **US$1.33,** which may provide a floor price for TLGRF stock. **In addition, if the exploration and development of the Aero Project continue to be successful, that could add substantial additional value for the company.**

RISKS

- The company's current and future operations are subject to receiving and maintaining licenses, permits and approvals from appropriate governmental authorities. In particular, the company will require processing, exploitation and environmental permits in Sweden to expand future larger scale mining and processing operations.

- 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 which may not be reliable.

- If the company achieves success leading to realized mineral production, revenues will be derived from the sale of products that are subject to commodity price fluctuations and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the company.

- The company's capital requirements depend on numerous factors including the 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. These sources are not guaranteed.

- The company will seek to secure other offtake agreements in respect of any excess production capacity not proposed to be taken by current agreements in place. There is no certainty that the company will be able to enter into such agreements in a timely manner with acceptable parties.

SUMMARY

We believe that Talga Group is poised to produce rapid and high margin revenue growth over the next 5-10 years as the Vittangi project (both mine and plant) becomes fully operational. When the refinery reaches full capacity, the entire project could generate over A$200 million in high margin revenue. The technology has mostly been proven as they are leveraging a working modular plant design and integrated engineering platform at the pilot EVA plant which has been operational since 2022.

Talga is also positioned to capitalize on the growing supply of graphite waste from battery recyclers and the widening deficit in ex-China anode materials. The long-term strategy focuses on scaling multiple production sites across key regions such as the United States, Japan, and the EU to address geopolitical shifts away from Chinese anode supply. Through collaboration with local partners and governments, the company aims to re-shore critical graphite anode supply chains, deliver cleaner products, and enhance supply security.

The company's current stock price does not likely reflect that potential level of profitable growth going forward when both the mine and large scale refinery plant become operational.

We believe our multiple valuation methods support our DCF valuation and provide a target price of US$1.50 per share.

Source: talgagroup.com

PROJECTED ANNUAL INCOME STATEMENT

Income Statement	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
Revenues	**1,773**	**1,851**	**23,524**	**59,396**	**104,981**
Growth		*4.4%*	*1171.2%*	*152.5%*	*76.7%*
Cost of Goods Sold (Production)	**8,695**	**7,000**	**8,000**	**19,800**	**34,304**
%	*490.3%*	*378.3%*	*34.0%*	*33.3%*	*32.7%*
Depreciation & Amort	**3,515**	**3,691**	**12,600**	**13,230**	**13,892**
Gross Profit	**(10,437)**	**(8,840)**	**2,924**	**26,366**	**56,786**
Margin	*-588.5%*	*-477.7%*	*12.4%*	*44.4%*	*54.1%*
SG&A Expenses	**9,692**	**10,661**	**10,981**	**11,311**	**11,650**
% of sales	*546.5%*	*576.1%*	*46.7%*	*19.0%*	*11.1%*
R&D	**5,404**	**4,864**	**4,378**	**3,940**	**3,546**
% of sales	*304.8%*	*262.8%*	*18.6%*	*6.6%*	*3.4%*
Exploration Expense	**1,063**	**1,063**	**1,116**	**1,172**	**1,231**
% of sales	*59.9%*	*57.4%*	*4.7%*	*2.0%*	*1.2%*
Stock Compensation	**(9,562)**	**1,000**	**1,020**	**1,040**	**1,061**
% of sales	*-539.2%*	*54.0%*	*4.3%*	*1.8%*	*1.0%*
Operating Income	**(16,728)**	**(26,428)**	**(14,571)**	**8,903**	**39,298**
Margin	*-943.3%*	*-1428.1%*	*-61.9%*	*15.0%*	*37.4%*
EBITDA	**(13,213)**	**(22,738)**	**(1,971)**	**22,133**	**53,190**
Margin	*-745.1%*	*-1228.7%*	*-8.4%*	*37.3%*	*50.7%*
Other Expenses/(Income)	**0**	**(7)**	**1**	**3**	**(6)**
%	*0.0%*	*-0.4%*	*0.0%*	*0.0%*	*0.0%*
EBIT	**(16,728)**	**(26,422)**	**(14,572)**	**8,900**	**39,305**
%	*-943.3%*	*-1427.8%*	*-61.9%*	*15.0%*	*37.4%*
Total Interest Exp (net)	**0**	**0**	**0**	**0**	**0**
%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Net Profit Before Tax	**(16,728)**	**(26,422)**	**(14,572)**	**8,900**	**39,305**
%	*-943.3%*	*-1427.8%*	*-61.9%*	*15.0%*	*37.4%*
Income Tax	**0**	**0**	**0**	**0**	**5,896**
% Effective Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*15.0%*
% Cash Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*15.0%*
Minority Interests or Preferred Stock	**0**	**0**	**0**	**0**	**0**
Net Profit	**(16,728)**	**(26,422)**	**(14,572)**	**8,900**	**33,409**
%	*-943.3%*	*-1427.8%*	*-61.9%*	*15.0%*	*31.8%*
Non-recurring income (expense)					
Average Diluted Shares Outstanding	428,807	456,000	456,000	456,000	456,000
Reported FD EPS					
Zacks EPS	**(0.04)**	**(0.06)**	**(0.03)**	**0.02**	**0.07**

Source Zacks SCR analyst

PROJECTED INTERIM INCOME STATEMENT

Income Statement	Q1/26E	1H/26E	Q3/26E	2H/26E
Net Sales		**888**		**962**
Cost of Goods Sold (Production)		**3,360**		**3,640**
%		*98.0%*		*378.3%*
Depreciation & Amort		**1,771**		**1,919**
Gross Profit		**(4,243)**		**(4,597)**
Margin		*-477.7%*		*-477.7%*
SG&A Expenses		**5,117**		**5,544**
% of sales		*576.1%*		*576.1%*
R&D		**2,335**		**2,529**
% of sales		*262.8%*		*262.8%*
Exploration Expense		**510**		**553**
% of sales		*57.4%*		*57.4%*
Stock Compensation		**480**		**520**
% of sales		*-11.3%*		*-11.3%*
Operating Income		**(12,686)**		**(13,743)**
%		*-1428.1%*		*-1428.1%*
EBITDA		**(10,914)**		**(11,824)**
%		*-1228.7%*		*-1228.7%*
Other Expenses/(Income)		**0**		**0**
%		*0.0%*		*0.0%*
EBIT		**(12,686)**		**(13,743)**
%		*-1428.1%*		*-1428.1%*
Total Interest Exp. (net)		**0**		**0**
%		*0.0%*		*0.0%*
Net Profit Before Tax		**(12,686)**		**(13,743)**
%		*-1428.1%*		*-1428.1%*
Income Tax				
% Effect Rate		*0.0%*		*0.0%*
Minority Interest & Preferred Stock				
Net Profit		**(12,686)**		**(13,743)**
%		*-1428.1%*		*-1428.1%*
Non-recurring income (expense)				
Shares Outst.		**456,000**		**456,000**
Reported FD EPS				
Fully Diluted Adjusted EPS		**(0.03)**		**(0.03)**

Source Zacks SCR analyst

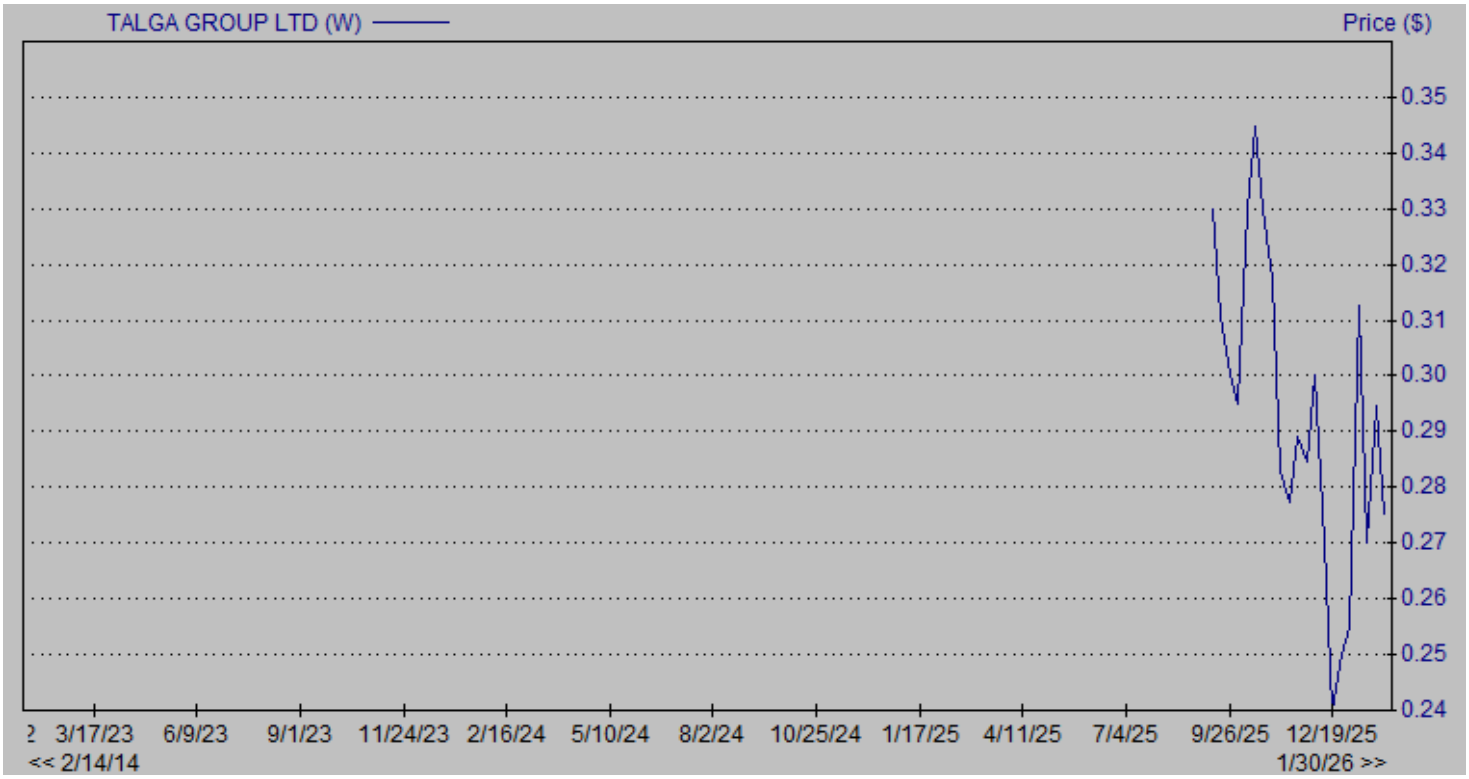
APPENDIX A

Appendix 1: Tenement Holdings as at 31 December 2025

Project/location	Tenements	Area (Ha)	Interest at end of Quarter	Acquired during Quarter	Disposed during Quarter
Aero Project	Nilivaara nr 1	5273.11	100%		
(Lithium)	Suorravaara nr 6	4007.04	100%		
Norrbotten County, Sweden	Suorravaara nr 7	4259.3	100%		
	Suorravaara nr 3	2800	100%		
	Sourravaara nr 5	10560.73	100%		
Jalkunen Project	Jalkunen nr 1	459.04	100%		
(Graphite)	Jalkunen nr 4	2194.45	100%		
Norrbotten County, Sweden					
Kiskama Project	Kiskama nr 1	1807.16	100%		
(Copper – Cobalt)					
Norrbotten County, Sweden					
Raitajärvi Project	Raitajärvi nr 5	169.74	100%		
(Graphite)	Raitajärvi nr 7	234.97	100%		
Norrbotten County, Sweden					
Vittangi Project	Nunasvaara nr 4	1057.06	100%		
(Graphite)	Nunasvaara nr 3	64.79	100%		
Norrbotten County, Sweden	Vittangi nr 2	1713.73	100%		
	Vittangi nr 6	1145.01	100%		

Source: talgagroup.com

HISTORICAL STOCK PRICE



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