

26 April 2021



Ms Vanessa Nevjestic
Adviser, Listings Compliance
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Ms Nevjestic

Response to ASX Price and Volume - Query

Talga Group Ltd ("Talga" or "the Company") (ASX:TLG), responds to your query dated 26 April 2021 in relation to the change in price and increase in volume of TLG's securities as follows:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The Company is not aware of any other explanation for the price change and increase in volume in the securities of the Company. The Company notes that the battery materials sector, in which Talga operates, has recently seen a significant increase in positive sentiment. This sector wide performance may be related to a number of positive factors relevant to the sector during this period including but not limited to:

Announcements by major automotive companies planning increases to electric vehicle production which suggests associated demand for graphite anodes in the lithium-ion batteries powering said vehicles (for example the more recent Friday 23 April 2021 Honda announced that all sales will be electric vehicles by 2040, with a concurrent US\$46 billion to spent on electrified mobility over 6 years <https://bloomberg.com/news/articles/2021-04-23/honda-declares-all-sales-will-be-electric-vehicles-by-2040>).

Numerous governments announcing plans that would include support for strategic investments in the battery materials supply chain (for example the more recent 31 March 2021 USA introduces plan for investment of \$174 billion to electrify their automotive industry <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>).

Increased awareness of Talga's progress towards building and operating Europe's first large-scale graphite anode production facilities and strategic role in supporting the transition of battery customers to achieve net zero targets (19 April 2021 <https://www.talgagroup.com/irm/PDF/6f9b1552-4f3c-492e-b71c-8d11c31ebe45/TalgaProgressesEVAnodePlant>).

Talga Group Ltd | ACN 138 405 419

Level 1, 2 Richardson Street, West Perth WA 6005 | PO Box 720, West Perth WA 6872

T: +61 8 9481 6667 | F: +61 8 9322 1935 | E: info@talgagroup.com | W: www.talgagroup.com

4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.
5. The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Dean Scarparolo", with a large, stylized flourish at the end.

Dean Scarparolo
Company Secretary



26 April 2021

Reference: ODIN33844

Mr Dean Scarparolo
Company Secretary
Talga Group Ltd
1st Floor, 2 Richardson Street
West Perth, Western Australia 6005

By email: dean@talgaresources.com

Dear Mr Scarparolo

Talga Group Ltd ('TLG'): Price and Volume - Query

ASX refers to the following:

- A. The change in the price of TLG's securities from an intraday low of \$1.510 to an intraday high of \$1.695 at the time of writing this letter today.
- B. The significant increase in the volume of TLG's securities traded today.

Request for information

In light of this, ASX asks TLG to respond separately to each of the following questions and requests for information:

- 1. Is TLG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
 - (a) Is TLG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in TLG's securities would suggest to ASX that such information may have ceased to be confidential and therefore TLG may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that TLG may have for the recent trading in its securities?
- 4. Please confirm that TLG is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that TLG's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of TLG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AWST Monday, 26 April 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TLG's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require TLG to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in TLG's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in TLG's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to TLG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that TLG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)