

## Government Supports Talga UK Anode Refinery Study

Battery anode company Talga Resources Ltd (“**Talga**” or “**the Company**”) (**ASX:TLG**) is pleased to advise that it has received a commitment for a ~AU\$1.8 million UK Government grant to complete a feasibility study into the commerciality of a Talga UK Anode Refinery (“the Study”).

The UK government has recently announced a series of economic stimulus packages, including a £1 billion Automotive Transformation Fund (“ATF”), towards boosting the domestic electric vehicle and lithium-ion (“Li-ion”) battery economy in collaboration between the Advanced Propulsion Centre, the Department for Business Energy and Industrial Strategy, Innovate UK and the Department for International Trade.

The Study, co-funded by Innovate UK and under the ATF competition category “[Developing large-scale manufacturing facilities](#)”, will assess the commercial feasibility of a UK refinery to produce Talga’s flagship anode product Talnode®-C for local Li-ion battery manufacturers.

A UK Talnode®-C production facility would share a feedstock with Talga’s planned Swedish anode refinery by importing natural flake graphite, in the form of a concentrate, from the Company’s Vittangi operation near Kiruna in northern Sweden. With the UK having no known graphite deposits feasible to make battery anodes, and Benchmark Mineral Intelligence foreseeing UK capacity requiring ~200,000tpa by 2027<sup>2</sup>, Talga’s large and high grade resources offer a strategic and local supply.

The Study, commencing immediately and planned for completion by late March 2021, will focus on engineering, permitting, renewable energy access and economic feasibility work. If found feasible the local Talga Talnode®-C refinery would provide secure, cost-effective and sustainable active anode material for a more self-sufficient UK electric vehicle industry.

**Commenting on the ATF funding, Talga Managing Director Mark Thompson said:** “*With a large automotive industry employing nearly 800,000 people and a rich history of iconic manufacturers such as Jaguar-Land Rover, Rolls-Royce, Bentley, Aston Martin, McLaren and many more, we see significant growth opportunities in the UK’s electrification process causing increased demand for our battery materials. Our Cambridge-based battery material and technology facility has and continues to receive excellent support from Government agencies committed to a sustainable UK automotive industry.*”

### Renewable Energy Access

The successful establishment of local sustainable battery anode production would assist UK based automotive manufacturers seeking carbon-neutral supply chains to reduce the carbon footprint of planned EV manufacturing and meet life-cycle CO<sub>2</sub> emission regulations.

The UK has an ambitious renewable energy agenda with multiple enterprises looking to establish new clean energy production in addition to the country’s already existing extensive network of wind power farms. The access to renewable energy will form an important consideration in the feasibility of a Talga UK Anode Refinery.

### Local Battery Anode Market

The rapid growth of the EV market in Europe is creating unprecedented demand for Li-ion batteries over the next decade, with battery manufacturers’ total European production capacity planned to reach 500GWh by 2028.



Existing UK Li-ion battery capacity includes the 1.9GWh Nissan LEAF battery plant in Sunderland and the 1GWh UK Battery Industrialisation Centre (UKBIC) being commissioned in Coventry. New domestic gigafactories are planned by multiple parties including British Volt targeting up to 30GWh, Envision AESC UK and AMTE Power.

Talga is in preliminary discussions with multiple potential UK customers who have expressed support for the Study and their intent to commence commercial evaluation of Talnode®-C following Study outcomes.

### Next Steps

As part of the Study Talga is identifying potential UK refinery sites within pre-existing industrial parks to streamline the regulatory process and construction phase, and positively impact required capital and operating expenditure.

Should the Study outcomes be favourable then it is expected that an investment memorandum for capital funding, under the ATF capital investment scheme or other public and private funding, be prepared. Talga is already engaged with multiple parties in funding discussions for its Swedish Vittangi Anode Project and the Company will look to extend these discussions to cover a potential UK based operation.

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<sup>1</sup> <https://www.apcuk.co.uk/atf-feasibility-study-competition-winners/>

<sup>2</sup> Benchmark Mineral Intelligence Q2 2020 Review: <https://www.benchmarkminerals.com/magazine-archive/>



## About ATF

In 2019 the UK Government created the Automotive Transformation Fund (ATF) to accelerate the development of a net zero vehicle supply chain, enabling UK-based manufacturers to serve global markets. ATF investments are awarded through the Advanced Propulsion Centre to support strategically important capital and R&D investments in the UK that will help companies involved in batteries, motors and drives, power electronics, fuel cells and recycling to anchor their future in the UK.

## 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](http://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.

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