



Half Year Report

31 December 2021

Talga Group Ltd and Controlled Entities

ABN: 32 138 405 419

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Corporate Directory for the Half Year ended 31 December 2021

Directors

Terry Stinson (Chairman)
Mark Thompson (Managing Director)
Grant Mooney (Non-Executive Director)
Stephen Lowe (Non-Executive Director)
Ola Rinnan (Non-Executive Director)

Company Secretary

Dean Scarparolo

Registered Office and Principal Place of Business

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West Perth WA 6005
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Email and website

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Website: www.talgagroup.com

ABN

32 138 405 419

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange Limited

Home Exchange: Perth

ASX Codes: TLG (shares)

Share Registry

Automic Group

Level 5

191 St Georges Terrace

Perth WA 6000

Auditors

Stantons

Level 2

1 Walker Avenue

West Perth WA 6005

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Directors' Report for the Half Year ended 31 December 2021

The Directors present their report on the consolidated entity comprising Talga Group Ltd ("Company") and its controlled entities ("Group" or "Consolidated Entities") for the half-year ended 31 December 2021.

BOARD OF DIRECTORS

The names of the Talga Group Ltd directors in office during or since the end of the half-year period are as follows. Directors were in office for this entire period unless otherwise noted.

Directors	Position
Terry Stinson	Non-Executive Chair
Mark Thompson	Managing Director
Grant Mooney	Non-Executive Director
Stephen Lowe	Non-Executive Director
Ola Rinnan	Non-Executive Director

REVIEW OF OPERATIONS

During the period the Group continued to progress commercial, product, technology and mineral development towards establishing a European source of sustainable battery and advanced materials.

Commercial development

Vittangi Anode Project development progressed with positive study outcomes, advancement of commercial discussions and development partnerships, and scale-up of Talnode[®]-C sample production capabilities for customer qualification program. Highlights included:

- Delivery of DFS confirming the Vittangi Anode Project's exceptional potential to supply globally competitive green graphite anode to battery manufacturers and automotive OEMs;
- Memorandum of Understanding with global technology company ABB expanded to include review of mine electrification for expansions of Talga's Swedish battery anode operation;
- Anode material Memorandum of Understanding executed with battery anode manufacturer Long Time Technology Co Ltd; and
- Construction of Talga's Swedish Electric Vehicle Anode (EVA) plant progressed, with full commissioning on track for end of March 2022 and official plant opening early April 2022.

Product and technology development

Positive developments across the Group's battery anode and graphene additive products, technology and Intellectual Property portfolio included:

- Hitachi Life Cycle Assessment defines Talnode[®]-C's world-leading green anode credentials;
- Globally recognised ISO 9001:2015 certification attained for Talga's current stage production and distribution of graphite and graphene products;
- Development and progress towards commercialisation of Talga's next generation battery materials continue; and
- Key battery material and graphene product and technology patents and trademarks advanced in line with Talga's Intellectual Property strategy.

Mineral project development

Mineral project development and exploration activities completed to accelerate and support expansion strategies in response to forecast increases in anode demand for emerging battery and EV markets. Highlights included:

- Successful completion of first phase trial mining of Niska South deposit at Vittangi;
- Permitting application process for Talga's Nunasvaara South mining operation progressing and mining concession applications submitted for Niska expansion; and
- 2021 drilling program and geophysical surveys completed at Vittangi as part of Talga's graphite resource growth initiatives.

Corporate and finance

Strategic corporate and commercial development activities to advance the establishment of a vertically integrated sustainable battery and advanced materials business. Highlights included:

- Mitsui and Talga extend and expand Memorandum of Understanding for Talga's Swedish graphite anode project;
- Appointment of Melissa Roberts, former Iluka Resources Commercial Manager, as Talga Group's global Chief Financial Officer and Per-Erik Lindvall, well known north Sweden business leader, as Chair of Talga AB Swedish Board;
- Talga joins RECHARGE, Europe's leading industry body of the advanced rechargeable and lithium-ion battery value chain; and
- Commitment to EU Principles for Sustainable Raw Materials.

Planned activities post the period

Planned 2022 key activities include:

- Delivery of EVA plant and scaled-up production of Talnode[®]-C, with 20 battery manufacturers and automotive OEMs already engaged to receive samples for advanced customer qualification;
- Completion of second phase trial mining at Niska South for large scale Talnode[®] sample production;
- Revision of Talga's graphite mineral resource to support expansion studies; and
- 2022 Vittangi drilling campaign to test the JORC exploration target linking the Niska South and Niska North resources with a view to revise resources further in the second half of 2022.

SUBSEQUENT EVENTS

Subsequent to the period Talga received the final sets of results from its 2021 Vittangi drill program. The successfully completed program returned world-class graphite grades, paving the way to upgrade Europe's largest graphite resource (see ASX:TLG 3 March 2022).

On 24 February 2022, Talga produced Europe's first Li-ion battery anode during commissioning of the Company's Swedish EVA qualification plant.

There has not been any other matter or circumstance occurring subsequent to the end of the period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The financial results of the Group for the half-year ended 31 December 2021 are:

	31 December 2021	30 June 2021
Cash and cash equivalents (\$)	31,806,354	52,497,518
Net assets (\$)	40,193,270	55,097,072

	31 December 2021	31 December 2020
Income(\$)	327,800	764,625
Loss for the period	(19,825,189)	(8,789,537)
Loss per share (cents per share)	(6.5)	(3.4)
Dividend (\$)	-	-

DIVIDENDS

No dividend has been paid during or is recommended for the half-year ended 31 December 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2021 has been received and immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.

Mark Thompson
 Managing Director
 Perth, Western Australia
 16 March 2022

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16 March 2022

Board of Directors
Talga Group Ltd
Suite 3, First Floor
2 Richardson Street,
West Perth WA 6005

Dear Sirs

RE: TALGA GROUP LTD

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Talga Group Ltd.

As Audit Director for the review of the financial statements of Talga Group Ltd for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Revenues from ordinary activities	3	3,972	134,894
Other Income	3	323,828	629,731
Expenses			
Exploration and evaluation expenditure		(661,025)	(159,333)
Operations - test facility & product development		(2,052,729)	(3,210,474)
Employee benefits expenses and directors fees		(1,992,844)	(1,098,157)
Exploitation and development costs Sweden		(8,601,429)	(2,283,921)
Administration expenses		(690,708)	(780,077)
Compliance and regulatory expenses		(543,714)	(372,152)
Depreciation expense	6	(332,204)	(332,816)
Share based payments	4	(5,123,839)	(1,257,206)
FX gain / (loss) realised		(111,221)	(6,483)
Acquisition costs write off		(43,276)	(53,543)
(Loss) before income tax expense		(19,825,189)	(8,789,537)
Income tax expense		-	-
Net (loss) attributable to members of the parent entity		(19,825,189)	(8,789,537)
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss		(18,657)	-
Items that may be reclassified subsequently to profit or loss		-	-
Exchange differences on translating foreign operations	4	(183,795)	(23,211)
Total other comprehensive (loss)/income		(202,452)	(23,211)
Total comprehensive (loss) for the period		(20,027,641)	(8,812,748)
Total comprehensive (loss) attributable to members of the parent entity		(20,027,641)	(8,812,748)
Basic loss per share (cents per share)	5	(6.5)	(3.4)
Diluted loss per share (cents per share)	5	(6.5)	(3.4)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Current Assets			
Cash and cash equivalents		31,806,354	52,497,518
Trade and other receivables		554,857	2,723,793
Financial Assets		-	585,000
Prepayments		522,676	37,570
Total Current Assets		32,883,887	55,843,881
Non-Current Assets			
Other receivables		88,947	73,126
Property, plant and equipment	6	12,062,698	4,767,423
Inventory		30,352	16,268
Exploration and evaluation expenditure		340,313	265,800
Total Non-Current Assets		12,522,310	5,122,617
TOTAL ASSETS		45,406,197	60,966,498
Current Liabilities			
Lease liabilities	6	564,749	279,816
Trade and other payables		3,869,451	4,967,930
Provisions		647,681	506,459
Total Current Liabilities		5,081,881	5,754,205
Non-Current Liabilities			
Lease liabilities	6	131,046	115,221
Total Non-Current Liabilities		131,046	115,221
TOTAL LIABILITIES		5,212,927	5,869,426
NET ASSETS		40,193,270	55,097,072
Equity			
Issued capital	7	133,136,221	130,184,218
Reserves	4	13,056,069	11,086,685
Accumulated losses		(105,999,020)	(86,173,831)
TOTAL EQUITY		40,193,270	55,097,072

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2021

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balances at 1 July 2020	64,567,257	(66,279,920)	8,955,044	7,242,381
Comprehensive income:				
Loss after income tax for the period	-	(8,789,537)	-	(8,789,537)
Other comprehensive loss for the period	-	-	(23,211)	(23,211)
Total comprehensive (loss) for the period	-	(8,789,537)	(23,211)	(8,812,748)
Transactions with owners in their capacity as owners:				
Issue of shares	35,740,002	-	-	35,740,002
Capital raising costs	(1,880,460)	-	-	(1,880,460)
Share based compensation	289,999	-	967,207	1,257,206
At 31 December 2020	98,716,798	(75,069,457)	9,899,040	33,546,381

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balances at 1 July 2021	130,184,218	(86,173,831)	11,086,685	55,097,072
Comprehensive income:				
Loss after income tax for the period	-	(19,825,189)	-	(19,825,189)
Fair value adjustment in relation to financial assets at FVTOCI	-	-	(18,657)	(18,657)
Other comprehensive loss for the period	-	-	(183,795)	(183,795)
Total comprehensive (loss) for the period	-	(19,825,189)	(202,452)	(20,027,641)
Transactions with owners in their capacity as owners:				
Issue of shares	-	-	-	-
Capital raising costs	-	-	-	-
Share based compensation	2,952,003	-	2,171,836	5,123,839
At 31 December 2021	133,136,221	(105,999,020)	13,056,069	40,193,270

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Half Year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Cash Flows from Operating Activities		
Receipts from customers	62,904	60,851
Payments for exploration evaluation and exploitation	(9,054,726)	(1,058,037)
Payment for mining	-	-
Payments to suppliers, contractors and employees	(5,423,483)	(2,702,590)
German & UK operations including R&D	(1,338,643)	(2,921,099)
Interest received	43,443	8,360
R&D refunds	-	-
Proceeds other - grants	1,809,433	425,097
Other - tenements	-	-
Net cash outflows from operating activities	(13,901,072)	(6,187,418)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(7,084,175)	(261,625)
Proceeds other - sale of investments	566,343	125,000
Payment other - Security Bonds	(28,844)	-
Net cash outflows from investing activities	(6,546,676)	(136,625)
Cash Flows from Financing Activities		
Proceeds from issue of securities	7	35,000,001
Proceeds from exercise of share options	-	540,000
Payment for costs of issue of securities	(20,018)	(1,710,748)
Lease Payments	6	(158,297)
Net cash outflows from financing activities	(243,416)	33,670,956
Net (decrease)/increase in cash and cash equivalents	(20,691,164)	27,346,913
Cash and cash equivalents at the beginning of the financial period	52,497,518	5,074,820
Cash and cash equivalents at the end of the financial period	31,806,354	32,421,733

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

1. Corporate Information

The financial report for the parent Talga Group Ltd and its Controlled Entities, (The "Group" or Consolidated Entity) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 16 March 2022. Talga Group Ltd is a limited company incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described on page 4 to 5 of the Directors Report.

2. Statement Of Significant Accounting Policies

a) Statement of compliance and basis of accounting

The half-year financial report is a general purpose financial statement, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except where applicable for financial assets that have been measured at fair value. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period. All amounts are presented in Australian dollars.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Talga Group Ltd as at 30 June 2021.

It is also recommended that the half-year financial report be considered together with any public announcements made by Talga Group Ltd during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange.

b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

c) New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The application of the new and revised Accounting Standards and Interpretation does not have a material impact on the Group Financial Statements.

d) New and Amended Standards for Application in Future Periods

Certain new Accounting Standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Group. These Standards are not expected to have a material impact on the Group in the current or future reporting period.

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

3. Revenue And Other Income

	31 December 2021 \$	31 December 2020 \$
Revenue from ordinary activities	3,972	134,894
Other Income		
Interest revenue	43,443	8,360
Rental income - sub lease	-	-
Government Grants	280,385	621,371
Subtotal for Other income	323,828	629,731
Total revenue and other income	327,800	764,625

4. Reserves

	31 December 2021 \$	30 June 2021 \$
(a) LISTED OPTION RESERVE		
Balance 30 June 2020	861,105	861,105
Movement during the period	-	-
Balance at the end of the period	861,105	861,105
(b) UNLISTED OPTION and PERFORMANCE RIGHTS RESERVE		
Balance at the start of the financial year	10,333,866	8,207,645
Share based payment for options and performance rights	2,171,836	2,126,221
Balance at the end of the period	12,505,702	10,333,866

The option reserve records funds received for options issued and items recognised as expenses on valuation of share options issued. The option reserve is also used to recognise the fair value of Management Incentive Plan Shares issued with an attaching limited recourse employee loan which for accounting purposes are treated as options. The Option Reserve also records the share based payment expense relating to the performance rights issued to employees, directors and consultants.

The share based payments in the Statement of Profit or Loss of \$5,123,839 is comprised of expenses related to share options and performance rights of \$2,171,836 and the cashless exercise of options \$2,952,003.

At the reporting date the Group had 11,300,000 unlisted options and 2,100,000 performance rights outstanding.

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

	31 December 2021 \$	30 June 2021 \$
(c) FOREIGN CURRENCY RESERVE		
Balance at the beginning of the period	(143,286)	(113,706)
Movement during the period	(183,795)	(29,580)
Balance at the end of the period	(327,081)	(143,286)
(d) FINANCIAL ASSET RESERVE		
Balance at the beginning of the period	35,000	-
Movement during the period	(18,657)	35,000
Balance at the end of the period	16,343	35,000
TOTAL RESERVES	13,056,069	11,086,685

5. Loss Per Share

	31 December 2021 \$	31 December 2020 \$
Net loss after income tax attributable to members of the Group	(19,825,189)	(8,789,537)
	Number	Number
Weighted average number of shares on issue during the financial period used in the calculation of basic loss per share	303,641,807	259,617,802

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the Group has incurred a loss for the period.

6. Property, Plant And Equipment

	31 December 2021 \$	30 June 2021 \$
(a) Property, plant and equipment		
Plant and equipment at cost	12,519,502	4,997,252
Less: accumulated depreciation	(456,804)	(1,588,802)
Total plant and equipment	12,062,698	3,408,450
Plant and equipment balance at the beginning of the financial year	3,408,450	2,783,537
Additions	721,722	1,041,803

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

Disposal	(43,276)	(40,570)
Depreciation expense	(332,204)	(399,072)
Effect of foreign currency exchange differences	(16,103)	22,752
Balance at the end of the period	3,738,589	3,408,450
	31 December 2021	30 June 2021
	\$	\$
Construction in progress		
Balance at the beginning of the financial year	962,225	-
Additions	7,361,884	962,225
Balance at the end of the financial year	8,324,109	962,225
Right of Use Assets (ROU)		
Right of Use Assets at cost	1,226,324	813,903
Less accum depreciation	(540,789)	(417,155)
Balance at end of Period	685,535	396,748
Right of Use Assets at cost		
Cost / initial recognition	813,903	923,513
Termination of contract	(102,607)	(108,903)
Addition of contract	515,028	-
Exchange difference	-	(707)
Balance at end	1,226,324	813,903
Right of Use Assets accum depreciation	(417,155)	(713,870)
Termination of contract	(102,607)	591,035
Depreciation expense for the period	(234,523)	(295,376)
Exchange difference	8,282	1,056
Balance at end	(540,789)	(417,155)
Balance of Right of Use Assets	685,535	396,748
Total property, plant and equipment	12,062,698	4,767,423

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

Liabilities at the end of period in the relation to right of use assets are:

Current Lease Liability	564,749	279,816
Non-Current Lease Liability	131,046	115,221

Amounts recognised in statement of profit or loss for the period in the relation to right of use assets and lease liabilities are:

Depreciation Right of Use Assets	234,703	295,376
Interest Expenses	15,394	17,396

The lease payments totalling \$223,398 during the period are recorded in the statement of cashflow.

7. Issued Capital

Issued and Fully Paid

	31 December 2021 Number	31 December 2021 \$	30 June 2021 Number	30 June 2021 \$
Fully Paid Ordinary Shares	304,701,519	133,136,221	303,229,906	130,184,218

Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue Price \$	\$
Balance 30 June 2021		303,229,906		130,184,218
Option exercise and share issue ⁽ⁱ⁾	08/11/2021	300,486	1.97	592,008
Option exercise and share issue ⁽ⁱ⁾	10/11/2021	1,174,127	2.01	2,359,995
Less transaction costs				-
Balance 31 December 2021		304,701,519		133,136,221

(i) These options were exercised through the cashless mechanism.

8. Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the operating segments of an entity. The Company's Board is the chief operating decision maker as it relates to segment reporting.

The Group has three operating and four geographical segments, being exploration and development (battery anode materials) in Sweden and graphite/graphene research and development in Germany and the United Kingdom as well as Group corporate activities in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

(i) SEGMENT PERFORMANCE

	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
Half-year ended 31 December 2021					
Revenues from ordinary activities	3,972	-	-	-	3,972
Other income	-	-	279,894	43,934	323,828
Total segment revenue	3,972	-	279,894	43,934	327,800
Segment expense (including write offs)	(9,601,698)	(934,535)	(1,288,996)	(8,327,760)	(20,152,989)
Reconciliation of segment result to net loss before tax					
Segment Result					(19,825,189)
Unallocated items:					-
Net loss before tax from continuing operations					(19,825,189)

	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
Half-year ended 31 December 2020					
Revenues from ordinary activities	53,604	58,250	23,040	-	134,894
Other income	-	(28,407)	649,778	8,360	629,731
Total segment revenue	53,604	29,843	672,818	8,360	764,625
Segment expense (including write offs)	(2,598,665)	(968,004)	(2,574,187)	(3,413,306)	(9,554,162)
Reconciliation of segment result to net loss before tax					(8,789,537)
Unallocated items:					-
Net loss before tax from continuing operations					(8,789,537)

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

(ii) SEGMENT ASSETS

	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
As at 31 December 2021					
Segment assets as at 1 July 2021	2,589,774	2,880,019	2,665,059	52,831,646	60,966,498
Segment asset period increases/(decreases):					
- Cash and cash equivalents	539,550	242,679	2,312,672	(23,786,064)	(20,691,163)
- Financial Assets	-	-	-	(585,000)	(585,000)
- Inventory	14,315	(231)	-	-	14,084
- Property, plant and equipment (including ROU assets)	7,121,179	(118,634)	(33,843)	326,571	7,295,273
- Exploration and evaluation	74,513	-	-	-	74,513
- Trade and other receivables and prepayments	43,035	(33,009)	(2,099,790)	421,756	(1,668,008)
	10,382,366	2,970,824	2,844,098	29,208,909	45,406,197

Reconciliation of segment assets to total assets

Total assets from continuing operations

-

45,406,197

	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
As at 30 June 2021					
Segment assets as at 1 July 2020	336,879	2,648,642	591,596	5,237,437	8,814,554
Segment asset period increases/(decreases)					
- Cash and cash equivalents	627,224	(46,124)	(121,737)	46,963,336	47,422,699
- Funding grant receivable	-	-	1,660,874	-	1,660,874
- Plant and equipment	1,569,063	256,959	(86,373)	34,594	1,774,243
- Exploration and evaluation expenditure	(22,237)	-	-	-	(22,237)
- Other (Grants & VAT)	78,845	20,542	620,699	596,279	1,316,365
	2,589,774	2,880,019	2,665,059	52,831,646	60,966,498

Reconciliation of segment assets to total assets

Total assets from continuing operations

-

60,966,498

Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2021

(iii) SEGMENT LIABILITIES	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
As At 31 December 2021					
Segment liabilities as at 31 December 2021	3,491,632	580,640	168,832	971,823	5,212,927
Reconciliation of segment liabilities to total liabilities					-
Total liabilities from continuing operations					5,212,927
	Sweden	Germany	UK	Australia	Total
	\$	\$	\$	\$	\$
As At 30 June 2021					
Segment liabilities as at 30 June 2021	2,372,183	743,707	-	2,753,534	5,869,424
Reconciliation of segment liabilities to total liabilities					-
Total liabilities from continuing operations					5,869,424

9. Subsequent Events

Subsequent to the period Talga received the final sets of results from its 2021 Vittangi drill program. The successfully completed program returned world-class graphite grades, paving the way to upgrade Europe's largest graphite resource (see ASX:TLG 3 March 2022).

On 24 February 2022, Talga produced Europe's first Li-ion battery anode during commissioning of the Company's Swedish EVA qualification plant.

There has not been any other matter or circumstance occurring subsequent to the end of the period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

10. Contingent Assets And Liabilities

There were no contingent assets or contingent liabilities as at 31 December 2021.

The Board has assessed the operations and is satisfied there is no environmental liability or rehabilitation bond requirement in relation to the environmental permit.

11. Commitments

The Group does not have any minimum exploration or development commitments.

Directors' Declaration for the Half Year ended 31 December 2021


In accordance with a resolution of the directors of Talga Group Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes as set out on pages 8 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2021 and of the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board


Mark Thompson
Managing Director
Perth, Western Australia
16 March 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TALGA GROUP LTD****Report on the Half-Year Financial Report***Conclusion*

We have reviewed the half-year financial report of Talga Group Ltd, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Talga Group Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2022.

Responsibility of the Directors for the Financial Report

The directors of Talga Group Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

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Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial*

Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
16 March 2022

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