

LKAB, Mitsui and Talga confirm intent to jointly develop Swedish battery anode project

- Swedish state-owned mining and minerals group LKAB has joined Mitsui in executing a tripartite non-binding Letter of Intent with Talga
- The LOI outlines the intent to jointly develop Talga's Vittangi anode project in northern Sweden following detailed feasibility study due Q1 2021 and due diligence
- Agreement offers significant opportunities for synergies across Swedish operations and infrastructure, regional investment and global sales/distribution

Battery anode company Talga Resources Ltd ("Talga" or "the Company") (ASX:TLG) is pleased to advise it has entered into a non-binding tripartite Letter of Intent ("LOI") with international high-tech mining and minerals group Luossavaara-Kiirunavaara Aktiebolag ("LKAB") and Mitsui & Co. Europe Plc ("Mitsui"), a subsidiary of global trading and investment company Mitsui & Co., Ltd.

Talga is establishing a European supply of sustainable, low-CO₂ emission anode materials for lithium-ion batteries, including construction of a scalable coated anode production facility and integrated graphite mining operations in northern Sweden ("Vittangi Anode Project").

LKAB, Mitsui and Talga have executed the LOI with the intent of jointly developing the Vittangi Anode Project, subject to Talga's detailed feasibility study (expected March 2021) and related due diligence. The project is located close to LKAB's existing mining operations in Northern Sweden and a range of potential synergies have been identified, including local resources, skills and infrastructure. In addition there may be commercial synergies across sales and distribution, alongside Mitsui, and in LKAB sustainability innovations in recycling and by-product processing.

Under the LOI the parties have the non-exclusive right to negotiate and enter binding co-development agreements with Talga by 30 June 2021, or as mutually agreed. Should further agreements be entered into, Talga will release details in accordance with its disclosure obligations at that time.

Commenting on the agreement, Talga Managing Director Mark Thompson said: "We are very pleased that LKAB has decided to join with Talga and Mitsui at this stage, as we continue building partner relationships to develop the Vittangi Anode Project. LKAB play a significant role in the Swedish economy and offer strong synergies, complementary to our joint partner Mitsui, in Talga's mission to supply European and global battery markets with sustainable anode products."

Project Background

Europe is undergoing unprecedented growth in the demand for domestic, sustainable and cost-effective battery production, driven by the move to renewable energy storage and electric vehicles. This is creating new demand for sustainable and locally sourced battery anode materials, as cell manufacturers and automotive OEMs look to secure stable raw material supply chains and strive to minimise their carbon footprints.

Talga's aim is to establish scalable European anode manufacturing in Sweden underpinned by vertical integration and in-house technology to build a secure, cost competitive and high-quality co-located supply. Building the operations in northern Sweden, given its availability of fossil free energy supply enables Talga to position itself as a low-carbon leader in anode production (TLG:ASX 23 May 2019).



Talga is seeking joint development partners and earlier this year executed a Memorandum of Understanding with Mitsui & Co. Europe Plc, the subsidiary of Mitsui & Co., Ltd., one of the largest global investment and trading companies ([ASX:TLG 20 March 2020](#)).

Authorised for release by the Board of Directors of Talga Resources Ltd.

For further information please contact:

Mark Thompson
Managing Director
[Talga Resources Ltd](#)
T: +61 (0) 8 9481 6667

Nikki Löf
Marketing & Investor Relations Coordinator
[Talga Resources Ltd](#)
T: +61 (0) 8 9481 6667

About LKAB

LKAB is an international and high-tech mining and minerals group that mines and upgrades the unique iron ore of northern Sweden for the global steel market. Through LKAB Minerals, the group develops sustainable mineral solutions in partnership with our customers, supplying natural minerals engineered for functionality and usability. Sustainability is core to our business and our ambition is to be one of the industry's most innovative, resource-efficient and responsible companies. The group had sales of about SEK 31 billion in 2019 and employs about 4,300 people in 12 countries.

Read more on www.lkab.com and www.lkabminerals.com

About Mitsui

Mitsui & Co. Europe Plc is the wholly owned subsidiary of Mitsui & Co., Ltd (8031: JP), a global trading and investment company, multilaterally pursues a broad variety of business projects that range from product sales, worldwide logistics, financing and equity investment to major international infrastructure developments, in the following fields: Iron & Steel Products, Mineral & Metal Resources, Infrastructure Projects, Mobility Business, Chemicals, Energy, Foods & Retail Business, Consumer Services, Innovation & Corporate Development.

Company website: www.mitsui.com

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



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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