



ASX ANNOUNCEMENT

21 November 2018

Execution of Wodgina Exclusivity Agreement with Albemarle

Mineral Resources Limited (ASX: MIN, **MRL**) is pleased to announce that it has today entered into an Exclusivity Agreement (**Agreement**) with Albemarle Corporation (NYSE: ALB, **Albemarle**) in relation to the potential sale of a 50% interest in the Wodgina Lithium Project (**Sale Interest**) and formation of a 50:50 joint venture that will produce spodumene concentrate and lithium hydroxide (**Wodgina JV**).

The execution of the Agreement follows a global sale process in relation to the Wodgina Lithium Project first announced by MRL in May 2018, which resulted in strong interest being received from a range of global participants in the battery minerals and chemicals value chain.

Key commercial terms

Under the Agreement, the parties agree to use their respective best endeavours to agree upon and execute binding transaction documents (**Definitive Documents**) embodying the following commercially agreed terms, by no later than 14 December 2018 (or such later period as the parties mutually agree):

- Purchase price for the Sale Interest of US\$1.15B in cash (based on a US\$2.3B enterprise value for the Wodgina Lithium Project on a 100% basis) payable upon completion of the sale of the Sale Interest.
- Other than conditions of an administrative nature, the only transaction-specific conditions to be satisfied for Completion to occur are the parties obtaining applicable regulatory approvals (which will include FIRB and any other approvals agreed between the parties as required) and any third party consents.
- Albemarle to acquire a 50% interest in all mineral rights within the Wodgina tenements other than iron ore (which will be retained exclusively by MRL) and tantalum (which remain held by Global Advanced Metals Greenbushes Pty Ltd), all fixed infrastructure and utility assets, the spodumene concentrate plant and the mobile mining equipment.
- The parties will jointly manage the Wodgina JV, through a company to be owned in equal shares by the parties.
- MRL (or a related corporation) to enter into the following contracts with the Wodgina JV for the life of mine:
 - Build, own, operate crushing contract to exclusively crush all run of mine ore as feed for the spodumene concentration plant;
 - Operation and maintenance contract for the accommodation camp and airport; and



- Mine to port haulage, ship loading and shipping contract for the transportation of product from Wodgina to the destination port.
- The Wodgina JV is expected to produce up to 750Ktpa of 6% spodumene concentrate from Wodgina which is ultimately intended to be used as feedstock for the lithium hydroxide plant (outlined below) once constructed.
- The parties to jointly fund, design, build and operate a lithium hydroxide plant in stages at Wodgina.
 - The first stage, once fully commissioned, is expected to produce at least 50Ktpa of lithium hydroxide with construction to commence as soon as the necessary licences and approvals are in place; and
 - The second stage is expected to convert the remaining volume of spodumene concentrate to lithium hydroxide (subject to prevailing lithium market conditions at the time supporting this development), at which point the plant is expected to be producing at least 100Ktpa of lithium hydroxide.
- Albemarle to make its proprietary lithium hydroxide plant designs available to the Wodgina JV.
- Albemarle will manage the marketing and sales of lithium hydroxide produced by the Wodgina JV

The above commercial terms reflect the current commercial agreement between the parties but remain legally non-binding and are subject to board approval by both parties and agreement upon and execution of the final form of the Definitive Documents.

Albemarle has agreed to commence to prepare and apply for any necessary regulatory approvals as soon as reasonably possible after the date of the Agreement.

Summary of Mutual Exclusivity Obligations

Under the Agreement, the parties have agreed that until 14 December 2018:

- MRL will negotiate exclusively with Albemarle regarding the Wodgina JV and during such period will not solicit or seek to engage in discussions or negotiations nor enter into any agreements with any third party regarding a potential sell down and/or entry into a joint venture with respect to the Wodgina Lithium Project, and/or any other project or transaction with respect to the Wodgina Lithium Project that would be competitive with or frustrate conclusion of the Wodgina JV; and
- Albemarle will negotiate exclusively with MRL regarding the Wodgina JV and during such period will not initiate or engage in discussions or negotiations nor enter into any agreements regarding the acquisition or potential acquisition of any legal or beneficial interest in any lithium project globally, other than in respect of certain projects in which Albemarle already has an interest.

Managing Director of MRL, Mr Chris Ellison said:

"I am extremely pleased we have been able to reach agreement with Albemarle on the basis on which we will negotiate exclusively regarding a potential joint venture at Wodgina.

It is very apparent to me that there is an extremely good fit between the corporate cultures and skillsets of



our respective businesses.

MRL is widely recognised as a leading provider of mining services and mine site operations in Australia along with having a high quality mine to ship logistics supply chain in the Pilbara.

Our proven local Western Australian capability is extremely well complemented by Albemarle's proven technical downstream processing expertise and their international marketing capabilities in lithium and other energy storage minerals.

Our organisations share the same vision to develop Wodgina, a tier one asset, as a world class, 30-plus year integrated lithium operation together.

I am confident that with MRL and Albemarle working together at Wodgina, we will produce and supply high quality, competitively priced lithium products into the market to meet increasing global requirements for these important energy storage products.

I look forward to working constructively with Albemarle to promptly conclude negotiation and execution of binding documentation for the establishment and operation of the joint venture.

I also take this opportunity to thank all parties that participated in the sale process for their interest in the Wodgina Lithium Project."

Cautionary note

Shareholders should note that while the Agreement is binding in respect of the mutual exclusivity obligations noted above, the commercially agreed terms set out in this release are legally non-binding and will only become legally binding upon execution of the Definitive Documents. There can be no certainty that MRL will enter into the Definitive Documents or complete the sale of the Sale Interest and the formation of the Wodgina JV on the commercial terms outlined in this announcement (or on any other terms). It is also intended that completion under the Definitive Documents will be subject to conditions precedent of an administrative nature, any regulatory approvals (including FIRB and any other approvals agreed between the parties as required) and any third party consents required in connection with the sale of the Sale Interest and the formation of the Wodgina JV, the satisfaction or otherwise of which may be beyond the control of either party.

MRL is advised by Macquarie Capital as financial adviser and Gilbert + Tobin as legal adviser in relation to this process.

About Albemarle

Albemarle Corporation (NYSE: ALB), headquartered in Charlotte, NC, is a global specialty chemicals company with leading positions in lithium, bromine and refining catalysts. Albemarle powers the potential of companies in many of the world's largest and most critical industries, from energy and communications to transportation and electronics. Working side-by-side with its customers, Albemarle develops value-added, customized solutions that make them more competitive. Albemarle's solutions combine the finest technology and ingredients with the knowledge and know-how of our highly experienced and talented team of operators, scientists and engineers. Discovering and implementing new and better performance-based sustainable solutions is what motivates Albemarle. Albemarle thinks beyond business-as-usual to drive innovations that create lasting value. Albemarle employs approximately 5,400 people and serves customers in approximately 100 countries.



Further information on Albemarle is available at www.albemarle.com.

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