23 February 2023

MARBL JV Agreement and Downstream Lithium Investment

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or **Company**) is pleased to announce that it has entered into binding agreements (**Agreements**) with Albemarle Corporation (**NYSE: ALB**) (**Albemarle**) for two separate transactions. The first is a restructure of its arrangements relating to the existing MARBL Joint Venture (MARBL JV). The second transaction regards MinRes' investment in lithium conversion assets in China. The execution of these agreements follows the announcement[1] of the signing of a non-binding letter agreement in February 2022.

The Agreements entail the following key principles and transactions, subject to receipt of required regulatory approvals:

- Ownership of the Wodgina mine to change from 60/40 (Albemarle/MinRes) to 50/50.
- Ownership of Kemerton I/II to change from 60/40 (Albemarle/MinRes) to 85/15.
- Kemerton I/II will be fed by the Greenbushes mine.
- Establishment of a new 50/50 Downstream Joint Venture to produce lithium battery chemicals.
- MinRes will be the marketer of its share of lithium battery chemicals.

The first transaction, being the restructure of the MARBL Joint Venture includes:

Wodgina Joint Venture:

- MinRes will increase its interest in the Wodgina lithium mine (**Wodgina**) from 40% to 50%.
- MinRes will continue to operate Wodgina.
- Wodgina will be governed by a standalone joint venture agreement.

Wodgina Conversion Arrangement:

- MinRes and Albemarle have each committed to convert their respective share of Wodgina spodumene concentrate (to feed four 25,000 tpa conversion trains) into lithium battery chemicals through Albemarle-owned conversion assets or using third party tollers. Under this conversion arrangement, Albemarle will arrange conversion of Wodgina spodumene concentrate on behalf of MinRes.
- Each party will fund their proportionate share of the cost of the conversion assets, with conversion cost payments to be made in stages. MinRes will make an initial US$350 million payment immediately following receipt of regulatory approvals for the Wodgina and Kemerton restructure, with other payments to be made as conversion capacity is developed and provided.

Kemerton Lithium Hydroxide Plant:

- Albemarle will increase its interest in the first two trains of the Kemerton Lithium Hydroxide Plant (**Kemerton**) from 60% to 85%.
- Albemarle will supply MinRes' 15% share of spodumene concentrate for use by Kemerton from the Greenbushes mine. MinRes will pay the benchmark price for its share of Greenbushes spodumene concentrate.
- Albemarle will continue to operate Kemerton.
- Kemerton will be governed by a standalone joint venture agreement.

Marketing:

The parties will terminate the existing marketing agreement (under which Albemarle exclusively marketed product) and MinRes will market its own share of lithium battery chemicals produced from Kemerton and Wodgina, under the Conversion Agreement.

[1] ASX announcement 9 February 2022

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Regulatory Approvals:

- The Kemerton and Wodgina transactions are conditional on Albemarle obtaining approval from the Foreign Investment Review Board (**FIRB**) to increase its ownership interest in Kemerton and Western Australian Ministerial consent for the parties to change their ownership interests at Wodgina.

Timing and Accounting Treatment:

- Consideration for MinRes' increased stake in Wodgina is expected to be offset by consideration for Albemarle's increased stake in Kemerton.
- MinRes will continue to account for the existing MARBL JV at a 40% interest for both Wodgina and Kemerton until FIRB approval and Ministerial consent has been received (**Completion Date**).
- The transaction has an effective date of 1 April 2022 and Albemarle is expected to pay MinRes a completion adjustment currently estimated to be A$150 million.

The second transaction, being a transaction to invest in lithium conversion assets, includes:

Downstream Joint Venture:

- The parties have committed to jointly own (subject to receipt of required regulatory approvals) lithium conversion assets, which will convert Wodgina spodumene concentrate into lithium hydroxide or lithium carbonate (**lithium battery chemicals**), up to a nominal capacity of 100ktpa and subject to receipt of required regulatory approvals to establish a Downstream Joint Venture.

Downstream Capacity:

- Subject to receipt of regulatory approvals, MinRes will acquire a 50% interest in Albemarle's 100% owned Qinzhou and Meishan plants in China.
  - Qinzhou is currently operating and has a design capacity of 25,000 tpa. The plant is expected to commence the conversion of Wodgina spodumene concentrate in early 2024.
  - The Meishan plant which is under construction with a design capacity of 50,000 tpa. The plant is scheduled to be commissioned by the end of calendar year 2024.
  - MinRes' acquisition is conditional on obtaining Chinese regulatory approvals and any other competition approval (if required).
  - Considering access to conversion as a whole, MinRes estimates its 50% share of total funds to develop and/or acquire conversion assets or obtain access to conversion services through the Conversion Agreement to obtain a capacity of 100,000 tpa (50,000 tpa MinRes share) to be about US$660 million, implying an attractive capital intensity of US$13,200 per tonne.
- The parties continue to study opportunities, including in Australia, for additional conversion capacity to process spodumene concentrate from potential future trains at Wodgina.

MinRes Managing Director Chris Ellison said:

"We are delighted to have reached these binding agreements, which cement MinRes' place as a world-leader in lithium mining and leverage our partner Albemarle's strong track record in battery chemical production.

"MinRes is proud to operate in Western Australia, a jurisdiction that leads the world in ethical mining practices and is backed by governments focused on growing the battery minerals supply chain.

"We've always been committed to giving back to the local community, including by working in partnership with the Traditional Owners of the land on which we operate to deliver long-lasting and sustainable benefits. We also continue to study options to invest in capacity for future downstream lithium production in Australia.

"By growing our battery chemicals business and expanding into global chemical marketing, MinRes will become one of the world's largest fully integrated lithium chemical suppliers to auto manufacturers, capitalising on the increasing demand for sustainable battery mineral products."

ENDS

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This announcement dated 23 February 2023 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary. For further information, please contact:

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About Mineral Resources

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit **www.mineralresources.com.au.**

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