



ASX RELEASE

Refinery Site Location

4 May 2018

- Refinery to be located in the Kwinana Strategic Industrial Area in Western Australia
- Follows comprehensive review of three potential sites in the region
- Significant critical infrastructure surrounds the site
- Major step in Kidman delivering its strategy of being an ASX-listed integrated manufacturer of battery-grade refined lithium

Kidman Resources Limited (Kidman) (ASX: **KDR**) is pleased to announce that Western Australia Lithium (WAL), its 50:50 joint venture with Sociedad Quimica y Minera de Chile (SQM), has entered into an exclusive option with Western Australian Land Authority (Landcorp) to lease a premier site in the Kwinana Strategic Industrial Area in Western Australia.

This decision follows a comprehensive, on-the-ground assessment of three potential sites upon which the refinery could be built (refer ASX release 25 July 2017). The option is for a period of 24 months during which time final lease terms will be agreed.

WAL is advancing the Definitive Feasibility Study for the refinery, which is expected to be released to the market in late 2018. WAL is currently planning to commission the refinery in 2021, with an initial annual nameplate capacity of approximately 44,000 tonnes of lithium hydroxide or 37,000 tonnes of lithium carbonate. Kidman maintains the right to participate in up to 50% of the refinery investment and market its portion of refined product.

Kidman's Managing Director and CEO, Martin Donohue, commented: *"Putting our foot on the Kwinana site is a major step in Kidman delivering its strategy of being an ASX-listed integrated manufacturer of battery-grade refined lithium. The benefits of the Kwinana site vastly outweigh those of the other sites we considered. Importantly, this announcement follows our recent comments regarding the high level of interest we have experienced from various parties seeking refined lithium offtake."*

Mr Donohue continued: *"I am particularly pleased that Western Australia Lithium is making this announcement alongside the Premier of Western Australia, Mark McGowan. The Western Australia Government, both at a department and ministerial level, have been highly supportive of the Mt Holland Project from the beginning, and the Premier shares our vision of making Western Australia an investment destination for the downstream processing of lithium."*

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As set out in Exhibits 1 and 2, the 76 hectare site comprises critical infrastructure including logistics (rail, road and port), energy (electricity and natural gas), a pool of highly skilled labour, and access to chemical reagents and supplies.

Exhibit 1: Refinery Site Location – Aerial View



Exhibit 2: Refinery Site Location – Oblique View with Refinery Illustration



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Lead Agency Service

The Mt Holland Lithium Project was granted Level 2 Lead Agency Service by the Western Australia Government in October 2017 in recognition of the strategic significance of Kidman's and SQM's proposed investment.

The refinery is expected to create approximately 400 construction jobs and 150 fulltime direct roles once in operation. This is in addition to approximately 300 jobs created during construction of the Mt Holland mine and concentrator and 150 fulltime direct roles once the Mt Holland mine and concentrator are operational.

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