

## HAZER SIGNS HEADS OF AGREEMENT WITH MINERAL RESOURCES

- **Hazer signs Heads of Agreement with Mineral Resources for the potential development of commercial synthetic graphite facilities**
- **Mineral Resources to fund the commercial development, and Hazer to obtain royalties from the sale of graphite**
- **Following a series of scale-up stages Mineral Resources indicates it will target potential commercial production of 10,000tpa and beyond**

**PERTH, AUSTRALIA; TUESDAY 3<sup>RD</sup> OCTOBER:** Hazer Group Ltd (“Hazer” or “the Company”) (ASX:HZR, HZRO) is pleased to announce that it has signed a non-binding Heads of Agreement with Mineral Resources Limited (ASX:MIN), a leading and highly innovative full-service provider of mining infrastructure services in Australia. Hazer and Mineral Resources intend to implement the Heads of Agreement through a binding Co-operation Agreement, to be drafted and executed in the near future.

Under the terms of the agreement, Mineral Resources and Hazer will work to jointly develop a large-scale commercial synthetic graphite facility, initially targeted towards the production of at least 1,000 tonnes per annum (tpa) of ultra-high purity graphite and capable of modular expansion to a nominal 10,000tpa.

Mineral Resources will fund the entire project across all required stages of scale-up and development, with Hazer providing technical assistance and obtaining royalties from revenue generated by the sale of graphite from the commercial facility(s).

The focus of the collaboration initially will be on a pilot scale facility with integrated purification capability, capable of producing 1tpa of ultra-high purity graphite suitable for high-end applications including batteries and electrodes. Initial commissioning of the pilot plant is estimated to occur in the middle of 2018.

Once satisfied with the design and performance of the pilot plant, Mineral Resources then proposes to design and construct a commercial scale production facility. The initial capacity of the commercial production facility will be 1,000tpa but will be capable of modular expansion to enable production to be progressively ramped up to meet market demands.

The terms of the agreement also allow Hazer to continue pursuing current global hydrogen production opportunities, with Mineral Resources being granted primary off-take partner for any graphite that is produced as a by-product of the additional hydrogen production projects. This arrangement is expected to substantially accelerate the commercial deployment of the Hazer technology for both graphite and hydrogen production globally.

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Managing Director Geoff Pocock said “We are delighted to have furthered the relationship with Mineral Resources through this agreement. Mineral Resources has been a significant shareholder and supporter of Hazer since our IPO, and are the ideal partner for this next stage of commercialisation towards high value synthetic graphite products. Mineral Resources has an excellent track record in innovation and in delivering projects in accelerated timeframes. The company has substantial existing exposure to the battery industry to enable rapid market penetration.”

**Royalties via the sale of graphite:**

Mineral Resources will pay Hazer a royalty based on net profit share per tonne of graphite produced, including any product produced by a party to whom Mineral Resources grants a sub-licence to use the Hazer technology. The specific royalty rate is stepped, with lower royalties payable at lower graphite prices, and increasing as graphite prices increase. This enables Hazer to benefit through additional exposure to increasing graphite prices.

**Hazer to continue pursuing additional partners:**

The terms of the agreement allow Hazer to continue pursuing current global hydrogen production opportunities, and grant licences to third parties to use the Hazer technology for hydrogen production purposes.

Under the terms of the agreement, any future hydrogen licence will grant Mineral Resources the first right of refusal to acquire any or all of the graphite by-product. In the event that Mineral Resources does not acquire the graphite, the third party is free to sell the graphite at its discretion.

This significantly de-risks the Hazer technology for Hazer’s future hydrogen production partners, as Mineral Resources now offer the graphite off-take pathway that can significantly drive hydrogen production costs down.

**[ENDS]**

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## **ABOUT HAZER GROUP LTD**

Hazer Group Limited (“Hazer” or “The Company”) is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process enables the effective conversion of natural gas and similar feedstocks, into hydrogen and high quality graphite, using iron ore as a process catalyst.

For further information, investor or media enquiries, please contact:

### **Michael Wills – Hazer Group**

Email: [mwills@hazergroup.com.au](mailto:mwills@hazergroup.com.au)

Phone: 0468 385 208

### **Hazer Group Limited - Social Media Policy**

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow Hazer on Twitter (@hazergroupltd), LinkedIn, Google+ and Youtube.

