

HAZER SIGNS BINDING AGREEMENT WITH MINERAL RESOURCES

- Hazer Group Ltd and Mineral Resources Ltd (ASX: MIN) execute **binding agreement for the design and construction of commercial scale synthetic graphite facilities**
- Mineral Resources to fund all commercial development, with Hazer providing intellectual property and technical assistance
- Hazer to receive revenue based royalties that achieves an agreed share of profits generated
- Rapid development pathway expected with estimated commissioning of a pilot plant within 8 months and commercial production within 20 months

PERTH, AUSTRALIA; WEDNESDAY 20TH DECEMBER 2017: Hazer Group Ltd (“Hazer” (ASX:HZR, HZRO)) and Mineral Resources Ltd (“MRL” (ASX:MIN)) are pleased to announce that they have executed a **Binding Co-operation Agreement** following execution of the non-binding Heads of Agreement on 3rd October 2017. Execution of this agreement is a significant commercial milestone for Hazer and will significantly accelerate the commercial deployment of the Hazer technology.

Under the terms of the agreement, Mineral Resources will provide all development capital required for the project. Hazer will provide access to the existing Hazer IP portfolio, as well as technical assistance and support during the scale up.

On successful deployment of the commercial facilities, Mineral Resources will pay Hazer a royalty based on revenue generated by the sale of high purity synthetic graphite calculated to achieve an agreed percentage of profits before tax.

Managing Director Geoff Pocock said “Hazer is delighted to have cemented this long term relationship with Mineral Resources, who have been a major supporter of Hazer to date. This is an excellent opportunity for Hazer to partner with an organisation with the balance sheet and capital reserves necessary for a project of this magnitude, and the proven execution capability to accelerate the commercial deployment of our technology. Mineral Resources’ clear commitment to building exposure to the growing energy storage markets, as well as their support of Hazer in the past, makes them the ideal partner for us.”

Managing Director of Mineral Resources Chris Ellison said “MRL is extremely pleased to have entered into this agreement with Hazer. Graphite is a key ingredient for batteries and our agreement with Hazer represents another important step in MRL’s strategy to pursue green and renewable energy initiatives. We look forward to working closely with their team to fast track commercialisation of Hazer’s highly innovative synthetic graphite production technology.”

Proposed Development Pathway:

Stage 1 - Pilot-Plant

The initial focus of the collaboration will be on a pilot scale facility capable of producing 1tpa of high quality graphite suitable for high value applications including lithium ion batteries. The pilot facility will include primary graphite production as well as integrated purification capacity to enable the production of ultra-high purity graphite. Estimated commissioning of the plant is expected to be within 8 months.

Stage 2 – Commercial Scale Plant

Upon establishing final design and performance parameters of the pilot plant, Mineral Resources will design and construct a 1,000tpa commercial scale production facility, capable of modular expansion that will enable more efficient scale-up if required.

Stage 3 – Large Scale Commercial Plant

Once satisfied with the performance of the initial 1,000tpa commercial plant, Mineral Resources aims to progressively ramp up production capacity utilising modular expansion or designing a larger facility, with a commercial production target of 10,000tpa and beyond.

Intellectual Property:

All IP surrounding the Hazer Process will remain exclusively owned by Hazer and licenced to Mineral Resources over the course of the agreement. Hazer will also own any new IP or improvements in existing IP relating to the Hazer Process arising from the project.

IP that is jointly developed or created which relates to the purification, beneficiation or otherwise adding value to raw graphite produced via the Hazer process will be jointly owned by Mineral Resources and Hazer.

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 primary opportunity to acquire any graphite co-produced by hydrogen partners. This significantly de-risks the Hazer technology for Hazer's future hydrogen production partners, as Mineral Resources now offers the graphite off-take pathway that can significantly decrease net hydrogen production costs.

This relationship also offers substantial financial benefit to the Hazer / Mineral Resources partnership, as Mineral Resources will then have access to increased supply of raw material for treatment and further sales into high value graphite markets, without the capital expenditure of additional primary production assets.

Under the terms of the agreement, royalties are also payable to Hazer on sales of graphite secured by Mineral Resources through these additional partnerships.

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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.

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