

## CLARIFICATION STATEMENT - MINERAL RESOURCES AGREEMENT ROYALTY RATE

**PERTH, AUSTRALIA; 23<sup>rd</sup> JANUARY 2018:** Hazer Group Ltd (“Hazer” or “the Company”) (ASX:HZR, HZRO), at the request of the ASX, makes the following clarification statements in relation to the royalty rate in the binding Co-operation Agreement executed with Mineral Resources Limited (“MRL”), disclosed to the market in the announcement titled “Hazer Signs Binding Agreement with Mineral Resources” on 20th December 2017:

- the binding Co-Operation Agreement includes an agreement requiring MRL to pay Hazer a revenue based royalty that achieves an agreed share of profits generated from the sale of graphite. This was disclosed in the announcement;
- the profit share between MRL and Hazer has been agreed within a defined range linked to the end graphite sale price point(s) achieved by MRL for sale of Hazer graphite;
- the specific net profit share and therefore the associated revenue based royalty rate are subject to further negotiation as key variables are tested and validated during Stage 1 of the proposed development pathway. The proposed development pathway is outlined in the announcement;
- key variables impacting net profit include, but are not limited to, the expected sale price of the graphite produced, operating costs incurred in production and capital costs of the production assets;
- as such, at this stage in the development pathway the Company is unable to make a meaningful estimate of the expected impact of the agreement on the Company’s revenues nor disclose the specific revenue based royalty rate;
- Hazer will continue to keep the market informed of material developments as they are achieved and agreed.

Emma Waldon  
Company Secretary

[ENDS]

For personal use only

---

## **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 enquires, 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.

