



Albemarle Signs Exclusivity Agreement with Mineral Resources Limited for 50/50 Fully Integrated Lithium Joint Venture in Western Australia

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CHARLOTTE, N.C., Nov. 21, 2018 /PRNewswire/ -- [Albemarle Corporation](#) (NYSE: ALB), a leader in the global specialty chemicals industry, announced today that it has signed an Exclusivity Agreement (Agreement) with Mineral Resources Limited (ASX: MIN) in relation to the potential creation of a 50/50 joint venture (JV) to own and operate the Wodgina hard rock lithium mine and ultimately develop an integrated lithium hydroxide operation at the resource site. Wodgina, located in the Pilbara region of Western Australia, is a world-class hard rock lithium deposit, with an estimated mine life of over 30 years.



The proposed JV, which remains subject to negotiation of definitive documents, would combine Albemarle's world-class lithium production and marketing expertise with Mineral Resources Limited's (MRL) leading regional presence and mining capabilities. Under the terms of the Agreement, Albemarle would manage the marketing and sales of lithium hydroxide produced by the JV via Albemarle's long term agreement strategy.

The purchase price for Albemarle's 50% interest in the JV would be US\$1.15 billion, which Albemarle expects to fund with available cash and new credit facilities. It is expected that the transaction will be accretive to Albemarle's earnings.

"This Agreement is consistent with our corporate strategy of pursuing M&A opportunities that can accelerate and de-risk our organic growth strategy," said Luke Kissam, Albemarle's CEO. "We feel confident in leveraging this world-class lithium resource with an experienced and knowledgeable mining company like MRL to help meet the growing demands of our global customers."

The Agreement includes the following key provisions and commercial terms:

- Albemarle would acquire a 50% interest in all mineral rights within the Wodgina tenements, other than iron ore (which will be retained exclusively by MRL) and tantalum (which remain held by a third party), all fixed infrastructure and utility assets, the spodumene concentration plant and the mobile mining equipment.
- The parties would jointly manage the JV, through a company to be owned in equal shares by the parties.
- After construction and ramp-up of the spodumene concentration plant, the JV is expected to produce up to 750Ktpa of 6% spodumene concentrate from Wodgina which is planned to be used as feedstock to the future lithium hydroxide plant (outlined below).
- The parties would jointly fund, design, build and operate a lithium hydroxide plant in stages at Wodgina utilizing Albemarle's core design.
 - The first stage, once fully commissioned, is expected to produce at least 50ktpa of battery grade lithium hydroxide. Construction would commence as soon as the necessary licenses and approvals are in place.
 - The second stage is expected to convert the remaining volume of spodumene concentrate to battery grade lithium hydroxide (subject to prevailing lithium market conditions at the time supporting this development), at which point the plant is expected to be producing at least 100Ktpa of lithium hydroxide.
- An exclusivity period until December 14, 2018 (or such later period as the parties mutually agree) for the parties to agree upon and execute binding definitive documents.

While the above terms have been commercially agreed and the Agreement is binding in respect to the exclusivity period, the parties will only become legally bound to enter into the proposed joint venture upon execution of definitive documents and board approval by the parties. Completion of the transaction will be subject to satisfaction of conditions of an administrative nature, any regulatory approvals and any third party consents.

About Albemarle

Albemarle Corporation (NYSE: ALB), headquartered in Charlotte, NC, is a global specialty chemicals company with leading positions in lithium, bromine and refining catalysts. We power the potential of companies in many of the world's largest and most critical industries, from energy and communications to transportation and electronics. Working side-by-side with our customers, we develop value-added, customized solutions that make them more competitive. Our solutions combine the finest technology and ingredients with the knowledge and know-how of our highly experienced and talented team of operators, scientists and engineers.

Discovering and implementing new and better performance-based sustainable solutions is what motivates all of us. We think beyond business-as-usual to drive innovations that create lasting value. Albemarle employs approximately 5,400 people and serves customers in approximately 100 countries. We regularly post information to www.albemarle.com, including notification of events, news, financial performance, investor presentations and webcasts, non-GAAP reconciliations, SEC filings and other information regarding our company, its businesses and the markets it serves.

Forward-Looking Statements

Some of the information presented in this press release, including, without limitation, information related to the proposed joint venture, expected

sources of financing, plans and anticipated benefits in relation to the proposed joint venture, and all other information relating to matters that are not historical facts may constitute forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the views expressed. Factors that could cause actual results to differ materially from the outlook expressed or implied in any forward-looking statement include, without limitation: changes in economic and business conditions; changes in priorities, financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products or the end-user markets in which our products are sold; the ability of the parties to successfully negotiate definitive agreements; the availability of financing; approval by both parties' board of directors; the satisfaction of closing conditions, including regulatory approvals; the occurrence of regulatory actions, proceedings, claims or litigation; and the other factors detailed from time to time in the reports we file with the SEC, including those described under "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this press release. We assume no obligation to provide any revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

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SOURCE Albemarle Corporation

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