



## Alpha HPA

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ASX: **A4N**  
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## ORICA AND ALPHA EXECUTE DEFINITIVE AGREEMENTS

The Board of Alpha HPA Limited ('Alpha' or 'the Company') is pleased to advise the execution of binding, definitive agreements with Orica Australia Pty Ltd ('Orica') in respect of Alpha's HPA First Project in Gladstone Queensland.

The agreements describe the commercial terms and technical obligations of both Orica and Alpha on the supply of process reagents and the offtake of process by-product to/from Alpha's HPA First Project and Orica's Yarwun manufacturing facility within the Gladstone State Development Area in North Queensland.

The nature of the HPA First Project process is such that the utilisation of reagents and the manufacture of by-product is highly complementary to the existing processes in operation at the Orica Yarwun facility. The agreements secure the commitment from both Orica and Alpha to leverage the process synergies to unlock the value from both companies' projects.

In summary, the agreements comprise:

- **A Project Implementation Agreement (PIA):** The PIA describes the capital investment obligations of the parties and the scope for project commissioning and reagent and by-product validation trials. The parties' capital investment obligations include:
  - **Alpha:** The construction of the full-scale HPA First Project
  - **Orica:** The construction of the piping, tankage and process controls required to deliver reagents to, and receive by-product from the HPA First Project
- **A Supply and Offtake Agreement (SOA):** The SOA describes the pricing, volume and product delivery of the process reagents and the process by-product, as well as the technical details of by-product management and quality assurance and control protocols.

The agreements confirm a 10-year initial term with an optional extension of 10 years by mutual agreement.

**Alpha's Managing Director Rimas Kairaitis commented:** "Alpha is delighted to have executed Definitive Agreements with Orica. The agreements secure the reagent supply and by-product offtake for the HPA First Project and sets the Project firmly on the path to commercialisation. These agreements represent a mutually beneficial, long-term commitment between our businesses and positions Alpha to establish a Gladstone based, world class production centre for ultra-high purity aluminium products. Over the last 18 months, Orica's engineering and commercial teams have worked diligently with the Alpha team across a range of detailed engineering, technical and commercial considerations and on behalf of the entire Alpha Board I thank them for their considerable efforts and professional approach. Alpha is energised to be working with Orica on the commercialisation of the HPA First Project and to leverage our assets and technology to deliver ultra-high purity products into the rapidly expanding industry sectors driving de-carbonisation."

**Orica Managing Director and Chief Executive Officer Sanjeev Gandhi said:** "We're thrilled about partnering with Alpha to bring the latest high-tech manufacturing capability to Yarwun and Australia. The project will allow us to further leverage our strong asset base in Yarwun and open up new opportunities for us in high-growth, future-facing industries such as eMobility as the world continues to transition to a low carbon economy."

## Joint Operations Committee

The agreements follow an extensive period of technical due diligence, process engineering, reagent and by-product test work and project interface engineering conducted under guidance from the Engineering Co-operation Group (ECG). The ECG is made up of technical representatives from both Orica and Alpha, as established under the Memorandum of Understanding (MoU) signed with Orica in February 2020.

The ECG will continue to oversee the final engineering phases related to the HPA First Project interface with the Orica Yarwun site. On completion of the HPA First Project validation trials, the ECG will be superseded by the Joint Operations Committee (JOC), made up of technical representatives from both Orica and Alpha.

The JOC mandate is to review and recommend all technical aspects concerning the interface between the Orica Yarwun site and the HPA First Project.

## Product Pricing and Volumes

The volumes and net pricing of Project reagents and process by-products are consistent with the Orica MoU and the HPA First Definitive Feasibility Study (ASX: 17 March 2020), with the pricing schedule for all products based on an index, and subject to CPI-based rise and fall. The pricing includes a products pre-pay arrangement, expected to cover net reagent costs through HPA First Project commissioning and early-phase ramp-up.

## Term

The agreements are subject to a minimum 10-year term, with a 10-year extension by mutual agreement.

## Conditions Precedent

The commencement of the capital expenditure under the PIA is conditional upon:

- Alpha having received all necessary Statutory Approvals to undertake the HPA First Project; and
- Alpha having secured Project Funding; and
- The Alpha Board having made a Final Investment Decision

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### **About the HPA First Project**

The Company's HPA First Project represents the commercialisation of the production of ~10,000tpa equivalent of high purity alumina (HPA) and related products using the Company's proprietary licenced solvent extraction and HPA refining technology. The technology provides for the extraction and purification of aluminium from an industrial feedstock to produce 4N (>99.99% purity) alumina for the intended use within the lithium-ion battery and LED lighting industry. Alpha completed a Definitive Feasibility Study in March 2020 following a successful pilot plant campaign in 2019. Alpha has since upscaled its Brisbane facility to demonstration scale and has now recorded over 2,000 operating hours delivering an expanded range of high purity product to over 50 end-users globally.

Alpha is fully funded to the commercial production at its Precursor Production Facility which is scheduled to commence commercial production for the Company's high purity Aluminium Precursors from August 2022.

The Company is now in the mature phases of project permitting, market outreach and project financing processes with respect to the full scale HPA First Project, with the expectation of positioning the HPA First Project to Final investment Decision.