



ASX RELEASE

Offtake Agreement with Tesla

17 May 2018

- Kidman enters binding lithium hydroxide offtake agreement with Tesla
- 3-year fixed-price take-or-pay agreement with two 3-year term options
- Significantly enhances post refinery commissioning cash flow profile
- In discussions with other strategic, globally significant parties
- Further validates Kidman's strategy of being an integrated ASX-listed manufacturer of battery-grade refined lithium

Kidman Resources Limited (Kidman) (ASX: **KDR**) is pleased to announce it has entered into a binding agreement with Tesla, Inc. (Tesla) to supply lithium hydroxide (Agreement). This follows the 4 May 2018 announcement that Western Australia Lithium (WAL), its 50:50 joint venture with Sociedad Quimica y Minera de Chile (SQM), had entered into an exclusive option to lease a premier site in the Kwinana Strategic Industrial Area in Western Australia.

The Agreement is for an initial term of three years on a fixed-price take-or-pay basis from the delivery of first product, and contains two 3-year term options. The other commercial terms of the Agreement are strictly confidential.

The Agreement equates to less than 25% of Kidman's portion of initial nameplate production for the first three years from the refinery.

Other Offtake Discussions

In addition to the Agreement with Tesla, Kidman is in discussions with other strategic, globally significant parties also seeking refined lithium offtake. To date, expressions of interest from these parties have materially exceeded Kidman's portion of initial refinery nameplate production. Kidman is currently targeting to enter into a limited number of offtake agreements, while leaving a minority portion of future supply uncontracted.

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