

The Manager Companies - ASX Limited
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ASX Announcement
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(2 pages)

HPA FIRST PROJECT FINANCE UPDATE

- **Strategic Assessment Phase (SAP) approval from NAIF confirmed**
- **Letter of Support from EFA for Critical Minerals Facility funding**
- **\$21.7M IPP Grant and \$45M MMI-C Grant timeline alignment**

The Board of Alpha HPA Limited (**Alpha** or **the Company**) is pleased to provide an update on the Project Financing activities related to reaching Final Investment Decision (FID) on Stage 2 of the HPA First Project in Gladstone QLD.

Project Finance Facilities

Alpha has been progressing a Project Finance debt facility to be joint funded by the following Australian Government financing agencies ('lenders'):

- The Northern Australia Infrastructure Facility (NAIF), and;
- Export Finance Australia (EFA)

Alpha has advanced due diligence and negotiating funding terms with the lenders and is pleased to report, that, in respect of the project financing for the Stage 2 HPA First Project

- The NAIF has now issued formal notice advising Strategic Assessment Phase (SAP) approval and;
- EFA has concurrently issued a conditional and non-binding Letter of Support (LOS)

In each case, these developments allow the lenders to proceed with due diligence. A final binding commitment from NAIF and EFA would be subject to various conditions as is customary for a debt facility of this nature and includes completion of due diligence satisfactory to the lenders. Alpha is already supporting an intensive due diligence (DD) process including:

- Independent Technical Engineers (ITE) review of multi-product HPA First Project;
- Legal & Commercial DD;
- Environment & Social DD; and
- Independent Market Reports.

With the NAIF SAP and EFA LOS in place, and the DD processes well advanced, Alpha is targeting Final Investment Decision (FID) in alignment with the Government Grants (see below).

Government Grants

Alpha is concurrently working with the Grant administrators to align key milestone dates of the announced Government Grants with the Project Financing timetable.

- \$21.7M QLD Govt IPP Grant – FID date has been extended to on or before 31 Jan 2024
- \$45M Federal Govt MMI-C Grant – application submitted to extend FID date

Alpha Managing Director, Rimas Kairaitis said, "We are pleased with the continued strong momentum towards FID. The combination of debt funding and government grants will form a significant majority of the funding requirement towards Stage 2 HPA First Project and we look forward to sharing further detail with you within calendar 2023."

About Export Finance Australia

EFA is Australia's export credit agency (ECA).

EFA provides commercial finance for export trade and overseas infrastructure development. From small and medium sized enterprises (SMEs) to large corporates, foreign Governments and infrastructure projects, EFA helps Australian businesses take on the world. In doing so, EFA finance supports Australia's economic security and regional resilience.

EFA administers the Australian Government's National Interest Account, which currently includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

About NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government development financier, investing for impact in Northern Australia. NAIF's primary purpose is to accelerate infrastructure development and thereby drive transformational growth in northern Australia by innovative financing that:

- Generates public benefit including that outside of what is captured by the project proponent.
- Encourages longer term growth in the economy and population of northern Australia.
- Encourages private sector participation in the financing of northern Australia's infrastructure needs; and
- Facilitates sustainable Indigenous participation, procurement, and employment outcomes.

For more information, visit: www.naif.gov.au

KPMG is acting as Debt Advisor to Alpha in connection with the HPA First Project.

About the HPA First Project

The Company's HPA First Project represents the commercialisation of the production of high purity aluminium materials using the Company's proprietary licenced solvent extraction and HPA refining technology. The disruptive, low-carbon process technology provides for the extraction and purification of aluminium from an industrial feedstock to produce 4N (>99.99% purity) and 5N (>99.999% purity) aluminium materials for sale into high technology markets including the semiconductor, lithium-ion battery and LED lighting sectors.

Alpha completed a Definitive Feasibility Study in March 2020 and is now finalising an updated DFS incorporating each of the Company's high value aluminium products.

Alpha is now in production at its Stage 1, Precursor Production Facility. The Stage 1 facility is also now being expanded to produce the full range of Alpha's high-purity aluminium materials with \$15.5M grant funding from the Australian Government.

The Company is now in the mature phases of market outreach and project financing with respect to the full scale Stage 2 HPA First Project, with the expectation of positioning Stage 2 to Final Investment Decision.

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