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Press Release

Company Name: Idemitsu Kosan Co., Ltd.  
Representative Director & Chief Executive Officer:  
Shunichi Kito  
(Company Code: 5019, TSE Prime Market)  
Contact person:  
Daisuke Mogi, General Manager,  
Investor Relations Office, Finance & Accounting  
Department (TEL: +81-3-3213-9307)

### **Announcement on Participation in a Vanadium Exploration Project in Australia**

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shunichi Kito, hereinafter referred to as “Idemitsu”) will participate in the Lindfield Project, a vanadium exploration project in Australia. Aiming to participate in this project, on September 27, Idemitsu acquired 32.22% of the IPO shares of Critical Minerals Group Limited (CMG), which owns a vanadium mining area in Queensland, Australia. Idemitsu will make the investment via Idemitsu Minerals Australia Pty Ltd. (100% owned by Idemitsu Australia), which was established by Idemitsu Australia Pty Ltd. (head office: Brisbane), a subsidiary in Australia of Idemitsu, to promote a critical minerals mining business.

Australia is rich in mineral resources and has reserves of various kinds of critical minerals, including vanadium. Idemitsu has been considering participating in the critical mineral mining business by leveraging the business foundation that Idemitsu has built up through about 40 years of coal mining operations in Australia. Participation in the Lindfield Project is the first step.

The Australian Government is promoting energy transformation aimed at achieving decarbonization and is encouraging the introduction of renewable energy sources such as solar and wind power; one of its challenges in expanding the use of them is the stabilization of the power supply system. Power storage technologies with a large capacity are attracting attention as technologies that contribute to solving this issue, and the technology of vanadium redox flow batteries\*<sup>1</sup> (VRFB), which use vanadium as an electrolyte, is one of them. In the future, Idemitsu, together with CMG, will advance a concept study on the exploration and technology to examine the feasibility of commercializing vanadium production, envisioning the use of vanadium in VRFB.

[Project Overview]

Project name: Lindfield Project

Estimated reserved resources: Vanadium pentoxide (V<sub>2</sub>O<sub>5</sub>) and high-purity alumina (HPA)<sup>\*2</sup>

Location: Julia Creek, Queensland (650 km west of Townsville)

This business will have minimal impact on Idemitsu's performance.

Idemitsu will continue to build our knowledge and network in the critical mineral mining business, work on creating low-carbon and decarbonization businesses, and actively responding to Australia's energy conversion.

\*1 Redox flow battery

A storage battery that is charged and discharged using the redox reaction of ions such as vanadium ions. While other batteries are charged and discharged using chemical changes in the electrodes, the redox flow battery is charged and discharged using chemical changes in the electrolyte (redox reaction); therefore, its electrodes and electrolyte experience almost no deterioration, achieving a long life span. In addition, it has other characteristics suitable as a storage battery for power supply systems; for example, it excels in safety because it does not use combustible materials and can be used at room temperature.

\*2 High-purity alumina (HPA)

Widely used in single-crystal materials such as light-emitting diodes, sapphire for watch windows, high-strength ceramic tools, and abrasives for magnetic tapes. In recent years, demand for HPA has been expanding in fields where high growth is expected, such as the energy, automobile, semiconductor, and computer fields.

[Reference: Overview of CMG]

Name: Critical Minerals Group Limited

Location: Level 7, 50 Cavill Avenue, Surfers Paradise, QLD 4217, Australia

Managing Director: Scott Dreincourt

Business: Exploration of mineral resources such as vanadium, gold, and copper