



ACQUISITION OF ALTURA LITHIUM OPERATIONS COMPLETE

SUCCESSFUL ACQUISITION SECURES PILBARA MINERALS' POSITION AS THE LEADING ASX-LISTED PURE-PLAY LITHIUM COMPANY.

HIGHLIGHTS

- Acquisition of Altura Lithium Project completed following cash payment of US\$155 million (A\$201 million) pursuant to the previously announced Share Sale Agreement to acquire all the shares in Altura Lithium Operations Pty Ltd. Deferred consideration representing approximately 69 million Pilbara Minerals' shares or cash equivalent will also be payable up to 12 months after completion¹.
- Completion of the transaction means Pilbara Minerals now has 100% ownership of its neighbouring Altura Project.
- Well-timed and cost-effective acquisition creates the largest, independent hard-rock lithium mining and processing operation in the world, with available offtake capacity.
- Altura Project to remain on care and maintenance while work is undertaken to determine the future operating strategy, which will be subject to prevailing market conditions.
- Consolidation of the Altura Project (subject to recommencement of operations) with Pilbara Minerals' existing operation will deliver tangible synergies including economies of scale, operational flexibility, removal of duplicated services and the unlocking of sterilised Ore Reserves.
- Two processing plants provide a more resilient and flexible operation, with capacity to blend products to suit customer and market requirements and the ability to ramp-up in response to improving lithium market.

Pilbara Minerals Limited (**Pilbara Minerals** or the **Company**) (ASX: PLS) is pleased to announce it has completed the acquisition of the Altura Project. The Company has acquired all of the shares in Altura Lithium Operations Pty Ltd (**ALO**), the entity which owns the Altura Lithium Project (**Altura Project**), in consideration for an upfront cash payment of US\$155 million (A\$201 million) pursuant to the terms of the Share Sale Agreement (**SSA**) entered into late last year with Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) (**Altura**) and the Receivers and Managers of Altura ("**Receivers**") (see ASX release, 1 December 2020).

In addition, the SSA provides that deferred consideration is also payable up to 12 months after completion, comprising the issue of approximately 69 million Pilbara Minerals' shares at a deemed issue price of A\$0.4072 (see ASX release, 28 October 2020)¹.

¹ Deferred consideration represents the value of approximately 69 million Pilbara Minerals' shares payable up to 12 months after completion (**Maturity Date**). The deferred consideration can be settled by Pilbara Minerals on or before the Maturity Date in shares or with cash in equivalent value (at the date of payment) in lieu of shares at Pilbara Minerals' election.



The completion of this landmark transaction follows the satisfaction of all conditions precedent, including:

- effectuation of the Deed of Company Arrangement (**DOCA**) approved by ALO creditors as announced on 11 December 2020; and,
- completion by Pilbara Minerals of a A\$240 million equity raising to support the acquisition of the Altura Project, launched on 14 December 2020 and comprising:
 - a A\$119 million cornerstone placement to AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper and Resource Capital Fund VII L.P. (completed on 15 December 2020); and,
 - a A\$121 million fully underwritten non-renounceable entitlement offer. The institutional component of this entitlement offer (A\$60.7 million) was completed on 16 December 2020, with the retail component (A\$60.6 million) completing on 14 January 2021.

Following completion of the acquisition, Pilbara Minerals now owns 100% of the Altura Project. This represents a cost-effective and highly strategic consolidation of the adjoining lithium mining and processing operations, to which Pilbara Minerals is uniquely placed to add value.

Commenting on the completion of this landmark acquisition, Pilbara Minerals' Managing Director and CEO, Ken Brinsden, said:

"This is a historic day in Pilbara Minerals' relatively short history as a lithium producer and marks an important moment, not just for our shareholders, but also for the lithium industry in Australia.

"The well-timed and cost-effective acquisition of our neighbouring operation is one of the most compelling transactions seen in the lithium sector in recent times. It represents a unique opportunity to realise tangible synergies from integrating two very similar mining and processing operations and adopting a holistic approach to extracting value from what is essentially the same orebody.

"This deal secures our position as the leading pure-play lithium company on the ASX, with ownership of the largest independent hard-rock lithium complex in the world. It provides for a larger, more resilient and flexible operation with available offtake, which is an important strategic advantage at a time when a turnaround in the lithium market appears to be upon us.

"Having ownership of two processing plants provides the flexibility to both blend products to suit customer/market requirements, as well as dial production up or down as required to meet customer needs and market conditions.

"I would like to thank the members of our team and our key strategic advisers who have worked so hard to achieve this excellent result. We would also like to extend our thanks to AustralianSuper and RCF who cornerstoned this investment, as well as institutional investors and our shareholders who supported our strategy to grow Pilbara Minerals."

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NEXT STEPS

Having completed the acquisition of ALO, Pilbara Minerals will now focus on the integration of the Altura Project, including a comprehensive evaluation of the combined lithium operations and the realisation of tangible synergies.

While the evaluation is being conducted, the Company plans to keep the Altura Project on care and maintenance until an appropriate implementation and operational strategy has been determined. This evaluation work will include:

- detailed engineering work to inform capital improvement works and integration planning to maximise the synergies between the two operations;
- detailed review of Altura's previously stated Ore Reserve and Mineral Resource (using Pilbara Minerals' economic assumptions and modifying factors), with an updated Ore Reserve and Mineral Resource to be released to the market in due course; and
- review of the Altura processing plant and flowsheet to determine avenues to improve spodumene recovery rates, which have historically averaged at or below 60%. This work will leverage Pilbara Minerals' learnings and experience developed over the past two years to improve performance at its own Pilgangoora operation, focusing on potential plant modifications and modified flotation reagent regimes.

Pilbara Minerals intends to provide an update to the market as part of a broader company strategic update and outlook by the end of the March Quarter 2021. Further details regarding this update will be provided closer to the time.

Release authorised by Ken Brinsden, Pilbara Minerals Limited's Managing Director.

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ABOUT US

Pilbara Minerals is the leading ASX-listed pure-play lithium company, owning 100% of the world's largest, independent hard-rock lithium operation. Located in Western Australia's resource-rich Pilbara region, the Pilgangoora Project and Operation produces a spodumene and tantalite concentrate. The significant scale and quality of the operation has attracted a consortium of high quality, global partners including Ganfeng Lithium, General Lithium, Great Wall Motor Company, POSCO, CATL and Yibin Tianyi.

While it continues to deliver a low-cost, quality spodumene to market, Pilbara Minerals is pursuing a growth and diversification strategy to become a sustainable, low-cost lithium producer and fully integrated lithium raw materials and chemicals supplier in the years to come.

Through execution of this strategy, Pilbara Minerals is positioned to become a major player in the rapidly growing lithium supply chain, underpinned by increasing demand for clean energy technologies such as electric vehicles and energy storage as the world pursues a sustainable energy future.



INFORMATION REGARDING THE ALTURA PROJECT

The information regarding the Altura Project in this announcement and any announcements referred to including information relating to production, recoveries, mineral resources and reserves estimates, life of mine plans has been sourced using publicly available information and has not been independently verified by the Company. The Company has undertaken only limited due diligence in relation to the Altura Project and may not be aware of all the material information, assumptions, facts and circumstances. Accordingly, the Company does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. While the Company has conducted due diligence on the proposed transaction, the Altura Lithium Project and Altura Lithium Operations Pty Ltd, Pilbara Minerals is unable to verify the accuracy or completeness of the information provided, and there is no assurance that this due diligence was conclusive and that all material issues and risks in relation to the proposed transaction and the Altura Lithium Project have been identified. Receipt of new, additional or updated information, assumptions or modifying factors may change production targets, recoveries, mineral resource and reserves estimates, life of mine plans and other forward-looking statements concerning the Altura Project in this announcement. To the extent that this information is incomplete, incorrect, inaccurate or misleading, there is a risk that the profitability and future results of the operations of Pilbara Minerals following the transaction may differ (including in a materially adverse way) from Pilbara Minerals' expectations as reflected in this document, or that additional liabilities may emerge.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Pilbara Minerals, statements about the completion of the transaction, the timing and amount of synergies, the future strategies, results and outlook of the combined Pilgangoora Lithium-Tantalum and Altura Lithium projects, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this presentation regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Pilbara Minerals. Actual results, performance, actions and developments of Pilbara Minerals may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this document in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Pilbara Minerals and any of its affiliates and their directors, officers, employees, agents, associates and advisers: disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Pilbara Minerals since the date of this document.