



ASX / MEDIA ANNOUNCEMENT

11 DECEMBER 2020

ALTURA CREDITORS APPROVE PILBARA MINERALS' DEED OF COMPANY ARRANGEMENT

Pilbara Minerals Limited ("**Pilbara Minerals**" or the "**Company**") (ASX: PLS) is pleased to advise that the creditors of Altura Lithium Operations Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ("**ALO**") approved Pilbara Minerals' proposed Deed of Company Arrangement ("**DOCA**") at the second meeting of creditors held today.

As announced on 1 December 2020, following a formal receivership process, Pilbara Minerals entered into a Share Sale Agreement with Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) ("**Altura**") and Richard Tucker and John Bumbak in their capacity as joint and several receivers and managers of Altura ("**Receivers**") for the acquisition of the shares in ALO, which owns Altura's Pilgangoora Lithium Project ("**Altura Project**"), for US\$175 million^{1,2} ("**Share Sale Agreement**").

The completion of the Share Sale Agreement is conditional on:

- effectuation of the DOCA, which is interdependent with completion of the Share Sale Agreement; and
- completion of a A\$240 million equity raising.

Having been approved by creditors, the DOCA has been signed by Pilbara Minerals, ALO, the Receivers and Clifford Rocke and Jeremy Nipps in their capacity as administrators of ALO ("**Administrators**") and is now effective. The DOCA will see Pilbara Minerals contributing A\$6 million primarily to pay dividends to unsecured creditors including all the entitlements owing to Altura employees who were made redundant by the Receivers following the Altura Project being placed into care and maintenance, as well as the costs of the receivership and administration.

Effectuation of the DOCA and completion of the Share Sale Agreement remain subject to Pilbara Minerals completing a A\$240 million equity raising, which, as previously announced, will comprise:

- a A\$119 million placement to AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper and Resource Capital Fund VII L.P. ("**Placement**"); and
- a A\$121 million fully underwritten accelerated non-renounceable entitlement offer ("**Entitlement Offer**"),

¹ Excludes DOCA funding of A\$6 million and a A\$7 million loan facility provided by Pilbara Minerals to the Receiver of ALO.

² Includes upfront cash consideration of US\$155 million and US\$20 million of deferred consideration. The deferred consideration of US\$20 million (A\$28 million) represented approximately 69 million Pilbara Minerals Shares at the time the Implementation Agreement was signed on 27 October 2020 (at a deemed share price of A\$0.4072 per share). The Deferred Consideration can be settled in shares or cash at Pilbara Mineral's election any time up to the date that is 12 months after completion under the Share Sale Agreement ("**Maturity Date**"). Where Pilbara Minerals elects to settle in shares and the share price has decreased below A\$0.4072 per share at the time of settlement, then the number of shares issued will be increased to reflect the decrease in the prevailing share price. Where Pilbara Minerals elects to settle in cash and the share price has increased at the time of settlement to above A\$0.4072 per share, then the Deferred Consideration payable in cash will be adjusted to reflect the increase in the prevailing price. In addition, should the Deferred Consideration be settled within 6 months of completion under the Share Sale Agreement, then a top up mechanism applies to increase the Deferred Consideration by the positive share price movement between the price on the date of the early redemption and the share price on the date that is 6 months post completion under the Share Sale Agreement.



each at a price of A\$0.36 per share (together, the “**Equity Raising**”). The offer price was set on the announcement of Pilbara Minerals’ entry into the Implementation Deed on 28 October 2020.

The Placement process will commence today, with the Entitlement Offer expected to launch early next week following completion of the Placement. Further details on its timing will be provided when the Entitlement Offer is launched.

Upon the release of this announcement, the Company requests the reinstatement of trading of its securities.

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

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INFORMATION REGARDING THE ALTURA PROJECT

The information regarding the Altura Project in this announcement 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, 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.

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



APPENDIX A: SUMMARY OF THE DOCA

Overview	Pilbara Minerals has entered into the DOCA with ALO and the Administrators which provides a compromise in respect of the claims of ALO's creditors and allows Pilbara to acquire ALO by way of an administration process.
Key features of the DOCA	The following are key terms of the DOCA: - the Deed Administrators will remove the existing ALO directors and appoint new directors nominated by Pilbara Minerals; - upon effectuation of the DOCA, control of ALO will be provided to the newly appointed directors; - Pilbara Minerals will contribute an initial contribution of A\$500,000 on execution of the DOCA and contribute a further A\$5,500,000 (together, the Deed Fund) into a creditors trust on effectuation of the DOCA for payment of the Administrators' fees and expenses and for the purposes of paying employee entitlements and providing a dividend to the unsecured creditors of ALO; - The Receivers will contribute to the Deed Fund any surplus cash, proceeds of sales of stockpiles and shipments of product from the Altura Project, after payment of any amounts owing to Pilbara Minerals under its loan agreement provided to the Receivers and outstanding remuneration, costs and expenses of the Receivers and Administrators; - no other property of ALO will be available to pay creditors; - the DOCA will not bind the Loan Note Holders even if the Loan Note Holders vote in favour of the DOCA (and will not bind any other secured creditors in respect of their security unless they vote in favour of the DOCA); - a moratorium on enforcement of claims against ALO including any continuing applications or commencing enforcement processes in relation to the property of ALO, against creditors, officers or members of ALO bound by the DOCA; - entitlements of ALO employees are expected to be paid in full; - upon creation of the creditors' trust, unless otherwise agreed, all claims against ALO including in respect of pre-administration contracts will be released; and - on effectuation of the DOCA and completion under the Share Sale Agreement, the shares in ALO will transfer to Pilbara Minerals and the balance of the Deed Fund will transfer to the Creditors' Trust for payment of creditor claims.
Conditions Precedent	The effectuation of the DOCA is conditional upon: - receipt by Pilbara Minerals of confirmation from the Deed Administrators and the Receivers that all pre-administration contracts (except for some excluded contracts) have been terminated or otherwise that the counterparties to those contracts have been notified that ALO will cease to comply with, and will not perform its obligations under the pre-administration contracts and treat them at an end; and - completion of the Equity Raising (referred to above).
Completion	Upon satisfaction of the Conditions Precedent set out above, completion and effectuation of the DOCA will occur at the same time as completion under the Share Sale Agreement. Completion under the DOCA is interdependent with completion under the Share Sale Agreement. Upon completion and



	effectuation of the DOCA, all claims against ALO including in respect of pre-administration contracts (unless otherwise excluded) are released and extinguished in full.
Release of claims by ALO against Pilbara Minerals	The DOCA includes a release of claims by ALO against Pilbara Minerals and the Loan Noteholders arising from or in connection with any event that occurred prior to the appointment of the Administrators. The release becomes effective upon effectuation of the DOCA.
Termination	The DOCA will terminate (otherwise than upon effectuation in accordance with its terms) where: (1) completion of the DOCA does not occur, (2) the court makes an order under section 445D of the Corporations Act, and (3) where creditors resolve so at a meeting.