



**Pilbara  
Minerals**

**ACN 112 425 788 | ASX PLS**

## **Retail Entitlement Offer Information Booklet**

**Details for a 1 for 7.6 pro rata accelerated non-renounceable entitlement offer of Pilbara Minerals Limited ordinary shares at an offer price of \$0.36 per New Share.**

**The Retail Entitlement Offer closes at 5.00pm (AEDT) on Monday, 11 January 2021.**

*The Retail Entitlement Offer is open to Eligible Retail Shareholders who were a registered holder of Pilbara ordinary shares at 7:00pm (AEDT) on Wednesday, 16 December 2020.*

This Information Booklet together with the accompanying personalised Entitlement Form requires your immediate attention. They are important documents which should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or call the Pilbara Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday during the Retail Entitlement Offer period.

## Important notices

### Nature of this Information Booklet

This Information Booklet has been prepared and issued by Pilbara Minerals Limited (ACN 112 425 788) (**Pilbara** or the **Company**) and is dated 18 December 2020. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*. This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision.

**THE INFORMATION IN THIS INFORMATION BOOKLET DOES NOT CONSTITUTE FINANCIAL PRODUCT ADVICE AND DOES NOT TAKE INTO ACCOUNT YOUR INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS.**

**THIS INFORMATION BOOKLET SHOULD BE READ IN ITS ENTIRETY BEFORE YOU DECIDE TO PARTICIPATE IN THE RETAIL ENTITLEMENT OFFER. THIS INFORMATION BOOKLET IS NOT A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT UNDER THE CORPORATIONS ACT AND HAS NOT BEEN LODGED WITH ASIC.**

By paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

Neither the Underwriter, nor its related bodies corporate or affiliates, nor any of their respective directors, officers, partners, employees, representatives, contractors, consultants, agents or advisers (together, the **Underwriter Parties**) has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on any

statement made by the Underwriter or by any Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all duties and liabilities (including for fault, negligence and negligent misstatement) in respect of, and makes no representations or warranties regarding, and takes no responsibility for, any part of this Information Booklet or any action taken by you on the basis of the information in this Information Booklet, and makes no representation or warranty as to the fairness, currency, accuracy, reliability or completeness of this Information Booklet.

### No unlawful overseas offering

This Information Booklet and the Entitlement Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders. This Information Booklet is not to be distributed in, and no offer of New Shares under the Retail Entitlement Offer is to be made, in countries other than Australia and New Zealand. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or otherwise permit the public offering of the New Shares in any jurisdiction other than in Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Pilbara to lawfully receive your Application Monies.

### New Zealand disclaimer

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Pilbara with registered addresses in New Zealand to whom the offer of

New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **United States disclaimer**

This Information Booklet and any accompanying ASX announcements and the Entitlement Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. **Neither this Information Booklet nor the Entitlement Form may be distributed or released in the United States.** Neither the Entitlements nor the New Shares offered in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

#### **Definitions and time**

Defined terms used in this Information Booklet are contained in the Glossary in section 9. All references to time are to the time in Perth (Australia), unless otherwise indicated.

#### **Foreign exchange**

All references to "\$" are AUD unless otherwise noted. References to US\$ refers to US dollars.

#### **Taxation**

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 6 provides for a general guide to the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual or personal circumstances of particular Eligible Retail Shareholders and does not constitute tax advice to those individuals. Pilbara recommends that you consult your professional tax advisor in connection with the Retail Entitlement Offer.

#### **Past performance**

Investors should note that the past Share price performance of Pilbara provides no guarantee or guidance as to future Share price performance.

#### **Future performance**

This Information Booklet contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance or commodity prices are also forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statement. While due care and attention has been used in the preparation of forward-looking statements, forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future production or earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and involve

known and unknown risks, uncertainties and other factors, many of which are outside the control of Pilbara and its directors and management. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors described in the "Key Risks" section of the investor presentation included in section 7 of this Information Booklet.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. To the maximum extent permitted by law, Pilbara and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

## Risks

Refer to the "Key Risks" section of the Investor Presentation included in section 7 of this Information Booklet for a summary of certain risk factors that may affect Pilbara.

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## Chairman's letter

18 December 2020

Dear Shareholder,

As announced on 14 December 2020, Pilbara Minerals Limited ACN 112 425 788 (ASX Code: PLS) (**Pilbara** or the **Company**) was pleased to enter into a binding agreement to acquire 100% of the shares in Altura Lithium Operations Pty Ltd (Receivers and Managers appointed) (Administrators Appointed) (**ALO**) for approximately US\$175 million (**Acquisition**).

ALO is a wholly-owned subsidiary of Altura Mining Limited (Receivers and Managers appointed) (Administrators Appointed) (**Altura**) and owns the Altura Lithium Project which is immediately adjacent to the Company's own Pilgangoora Project.

On behalf of the directors of Pilbara, I am pleased to invite you to participate in a fully underwritten 1 for 7.6 accelerated, non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.36 (**Offer Price**) per New Share (**Entitlement Offer**).

Gross proceeds raised as a result of the Entitlement Offer will be approximately \$121 million and will be used, in conjunction with the recently completed \$119 million placement to certain cornerstone investors (**Cornerstone Placement**), to fund the Acquisition as well as transaction costs.

The Entitlement Offer will be conducted in two stages comprising an institutional offer, which has been completed as announced on 16 December 2020 (**Institutional Entitlement Offer**) and a retail offer (**Retail Entitlement Offer**) to be conducted in accordance with the key dates for the Retail Entitlement Offer set out below.

### Details of the Acquisition

The Acquisition is a significant opportunity and logical step for Pilbara. It provides Pilbara with a unique opportunity to realise tangible operational synergies by consolidating the two neighbouring projects (Pilbara's Pilgangoora Project and the Altura Lithium Project) into a single integrated operation. Of particular interest to the Company is the opportunity to mine that section of the Altura orebody that is otherwise sterilised without access being granted to Pilbara's ground to undertake mining activities.

Further information about the Acquisition, including its strategic and commercial benefits, is detailed in Pilbara's ASX announcement and investor presentation lodged with the ASX on Monday, 14 December 2020 (and included in this Information Booklet in section 7).

### Details of the Entitlement Offer

As announced on 16 December 2020, the Institutional Entitlement Offer raised approximately \$61 million. Under the Retail Entitlement Offer, eligible shareholders with a registered address in Australia or New Zealand are entitled to subscribe for 1 New Share for every 7.6 existing fully paid ordinary shares in Pilbara (**Shares**) held at 7.00pm (AEDT) on 16 December 2020 (**Record Date**), at the Offer Price of \$0.36 per New Share.

The Offer Price of \$0.36 per share is the same price that was offered to investors who participated in the Cornerstone Placement and the Institutional Entitlement Offer and was set by the Company at the time of announcing the proposed Acquisition and securing binding commitment for the Cornerstone Placement on 28 October 2020.

It represents:

- a 7.7% discount to Pilbara's closing Share price on 27 October 2020 prior to announcing the proposed Acquisition (\$0.39 per Share); and
- a 58.9% discount to the last traded price of Shares prior to closing the Cornerstone Placement and opening the Institutional Entitlement Offer (11 December 2020) (\$0.875 per Share).

The Entitlement Offer is fully underwritten<sup>1</sup> by Macquarie Capital (Australia) Limited (**Underwriter**) and sub-underwritten by AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper (**AustralianSuper**) and Resource Capital Fund VII L.P. (**RCF VII**, together with AustralianSuper, the **Sub-Underwriters**). More detail is provided in section 8.15 of this Information Booklet.

### How to Apply

This Information Booklet is important and requires your immediate attention. It should be read in conjunction with your personalised Entitlement Form (obtained online via [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au)) and contains details of your Entitlement as well as important information including:

- **key dates** for the Entitlement Offer;
- instructions on **How to Apply**, setting out how to accept all or part of your Entitlement in the Retail Entitlement Offer, if you choose to do so; and
- ASX Offer Announcements relating to the Entitlement Offer.

The Retail Entitlement Offer is scheduled to open on Friday, 18 December 2020 and closes at 5.00pm (AEDT) on Monday, 11 January 2021. Dates are indicative only and may be subject to change.

To participate, you need to ensure that you have completed your application by paying Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement Form so that your payment via BPAY® has been received by Pilbara by **5.00pm (AEDT) on Monday, 11 January 2021**.

**The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which may restrict or delay postal and delivery services. As such, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.**

Entitlements cannot be traded on the ASX or privately transferred. If you do not take up your entitlements, your rights will lapse.

### Additional information

Further information on the Retail Entitlement Offer is detailed in this Information Booklet. **You should read the entirety of this Information Booklet carefully (including the "Key Risks" section of the Investor Presentation released to ASX on 14 December 2020 and included in section 7 of this Information Booklet) before deciding whether to participate in the Retail Entitlement Offer.**

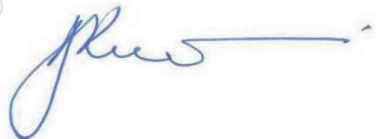
If you have any further questions about the Retail Entitlement Offer, you should seek advice from your stockbroker, accountant or other independent professional adviser, or you can call the Pilbara Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday during the Retail Entitlement Offer period.

The Information Booklet together with your personalised Entitlement Form is available online from [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au). Paper copies can be requested by calling the Pilbara Offer Information Line.

<sup>1</sup> Please refer to the summary of the underwriting agreement contained in section 8.15 of this Information Booklet and the Investor Presentation released on 14 December 2020.

On behalf of the board of directors of Pilbara, I thank you for your ongoing support of Pilbara and look forward to your participation in the Retail Entitlement Offer.

Yours sincerely,



Anthony Kiernan  
**Chairman**  
**Pilbara Minerals Limited**

## 1. Summary of the Entitlement Offer

### Summary

Institutional Entitlement Offer	
Ratio	1 New Share for every 7.6 Shares held
Offer Price	\$0.36 per New Share
Size	Approximately 169 million New Shares
Gross Proceeds	Approximately \$61 million
Retail Entitlement Offer	
Ratio	1 New Share for every 7.6 Shares held
Offer Price	\$0.36 per New Share
Maximum size	Approximately 168 million New Shares
Maximum gross proceeds	Approximately \$60 million
Total gross proceeds	
Expected total gross proceeds of the Entitlement Offer	Approximately \$121 million

### Key Dates – Retail Entitlement Offer

Event	Date
Announcement of Entitlement Offer	14 December 2020
Entitlement Offer Record Date (7.00pm AEDT)	16 December 2020
Offers despatched to Eligible Retail Shareholders <sup>2</sup> and Retail Entitlement Offer opens	18 December 2020
Retail Entitlement Offer closes	11 January 2021
Announcement of results of Retail Entitlement Offer	14 January 2021

<sup>2</sup> Eligible Shareholders who have nominated to receive documents from the Company electronically will receive access to the Information Booklet and a personalised Entitlement Form by email. Eligible Shareholders who have not elected to receive electronic communications will be posted a letter detailing how to access the Information Booklet and their personalised Entitlement Form through the Pilbara Minerals offer website ([www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au)), or alternatively, how to request a paper copy.



Settlement of New Shares issued under the Retail Entitlement Offer	15 January 2021
Issue of New Shares under the Retail Entitlement Offer	18 January 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	18 January 2021
Holding statements in respect of New Shares issued under the Retail Entitlement Offer despatched	19 January 2021

**Note:** The timetable above is indicative only and subject to change. All times and dates refer to Australian Eastern Daylight-savings time (**AEDT**). The Company reserves the right to amend any or all of these events, dates and times subject to the consent of the Underwriter, the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Pilbara reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice.

The commencement of quotation of New Shares is subject to confirmation from ASX.

**Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.**

## Enquiries

If you have questions on how to take up your Entitlement or would like a paper copy of this Information Booklet or your Entitlement Form, you should seek advice from your stockbroker, accountant or other professional adviser or otherwise please call the Pilbara Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) between 8:30am and 5:00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

## 2. Summary of options available to you

If you are an Eligible Retail Shareholder (as defined in section 3.3) you may take one of the following actions:

- (a) take up all of your Entitlement;
- (b) take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed Entitlement; or
- (c) do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement.

Options available to you	Key considerations
<b>Option 1.</b> Take up all of your Entitlement	<ul style="list-style-type: none"><li>You may elect to purchase New Shares at the Offer Price (see section 4.3 for instruction on how to take up your Entitlement).</li><li>The New Shares will be fully paid and rank equally in all respects with existing Shares.</li><li>The Retail Entitlement Offer closes at 5.00pm (AEDT) on Monday, 11 January 2021.</li><li>Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement Form.</li></ul>
<b>Option 2.</b> Take up part of your Entitlement	<ul style="list-style-type: none"><li>If you only elect to take up part of your Entitlement, the part you do not take up will lapse and the New Shares not subscribed for will form part of the Retail Shortfall which may be acquired by the Underwriter or Sub-Underwriters.</li><li>If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement not taken up.</li><li>See section 4.4 for how to take up part of your Entitlement.</li></ul>
<b>Option 3.</b> Do nothing and let all or part of your Entitlement lapse	<ul style="list-style-type: none"><li>If you do not take up your Entitlement by the closing date, you will not be allocated New Shares and your Entitlement will lapse (see section 4.5 for instructions on how to allow your Entitlement to lapse).</li></ul>

### 3. Overview of the Entitlement Offer

#### 3.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 337 million New Shares at the Offer Price of \$0.36 per New Share. All Eligible Shareholders are entitled to subscribe for 1 New Share for every 7.6 Shares held at 7.00pm (AEDT) on the Record Date.

All Eligible Shareholders are being invited to take up all or part of their Entitlements. The Company intends to raise up to approximately \$121 million under the Entitlement Offer (after costs).

The Entitlement Offer comprises of three components

- **Institutional Entitlement Offer** – Eligible Institutional Shareholders (as defined in section 8.4 below) were given the opportunity to take up all or part of their Entitlement.
- **Institutional Shortfall Bookbuild** - Institutional Entitlements not taken up and Entitlements of Ineligible Institutional Shareholders were sold to investors through a bookbuild process on 15 December 2020 at the Offer Price (**Institutional Shortfall Bookbuild**).
- **Retail Entitlement Offer** – Eligible Retail Shareholders (as defined in section 3.3 below) can take up their Entitlements under the Retail Entitlement Offer in whole or in part. Entitlements are personal to you and cannot be sold or traded on ASX or any other securities exchange, or assigned or otherwise dealt with.

The Entitlement Offer is fully underwritten by the Underwriter, who will act as lead manager, bookrunner and underwriter for the Entitlement Offer.<sup>3</sup> Further details on the Retail Entitlement Offer are set out below.

#### 3.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 7.6 existing Shares held as at the Record Date at the Offer Price of \$0.36 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (AEDT) Friday, 18 December 2020 and will close at 5.00pm (AEDT) on Monday, 11 January 2021.

#### 3.3 Eligible Retail Shareholders

Eligible Retail Shareholders (as defined in this section) are being invited to subscribe for all or part of their Entitlement and are being provided on the offer website at [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au) with access to this Information Booklet and a personalised Entitlement Form.

The Retail Entitlement Offer constitutes an offer only to **Eligible Retail Shareholders**, being Shareholders who:

- are registered as a holder of Shares as at the Record Date, being 7.00 pm (AEDT) on 16 December 2020;

<sup>3</sup> Please refer to the summary of the underwriting agreement contained in section 8.15 of this Information Booklet and the Investor Presentation released on 14 December 2020.

- as at the Record Date, have a registered address on the Pilbara Minerals share register that is in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- are not an Eligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Pilbara, in its absolute discretion, reserves the right to determine whether a security holder is an Eligible Retail Shareholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and therefore unable to participate in the Retail Entitlement Offer. Pilbara disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a security holder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

### **3.4 Ineligible Retail Shareholders**

All Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

Pilbara has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to the number of Shares held by Ineligible Retail Shareholders, the number and value of New Shares that they would be offered, and the costs of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in those places.

### **3.5 What is your Entitlement?**

Your Entitlement is set out on your personalised Entitlement Form and has been calculated as 1 New Share for every 7.6 Shares you held as at the Record Date, being 7.00pm (AEDT) on 16 December 2020. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares.

The Entitlement stated on your personalised Entitlement Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see definition of Eligible Retail Shareholders in section 3.3 of this Information Booklet).

### **3.6 Can you trade your Entitlement?**

Your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (AEDT) on 11 January 2021, your rights will lapse.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in Pilbara will also be diluted.

The New Shares not subscribed for under the Retail Entitlement Offer (**Retail Shortfall**) may be taken up by the Underwriter or any Sub-Underwriters.

## 4. How to apply

### 4.1 Important Information

You should read the following information carefully and in its entirety before making a decision about your Entitlement:

- Important notices;
- Chairman's letter;
- ASX Offer Announcements, including the Investor Presentation<sup>4</sup> (and in particular the "Key Risks" section of the Investor Presentation);
- Important information;
- Entitlement Form; and
- other information made publicly available by Pilbara.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the Pilbara Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday during the Retail Entitlement Offer period.

### 4.2 Summary of the options available to you

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all of your Entitlement (see section 4.3 of this Information Booklet);
- take up part of your Entitlement (see section 4.4 of this Information Booklet); or
- not take up your Entitlement (see section 4.5 of this Information Booklet).

You should note that if you do not take up all of your Entitlement, your percentage shareholding in Pilbara will be diluted. The New Shares not subscribed for will form part of the Retail Shortfall and may be taken up by the Underwriter or any Sub-Underwriters.

If you wish to take up all or part of your Entitlement you must make payment by BPAY®<sup>5</sup>. The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which may restrict or delay postal and delivery services. As such, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.

### 4.3 If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) so that it is received by 5.00pm (AEDT) on 11 January 2021. Note that when paying by

<sup>4</sup> The enclosed ASX Offer Announcements, including the Investor Presentation are current as at 14 December 2020. There may be other announcements that have been made by Pilbara after 14 December 2020 and before the Retail Entitlement Offer closes on 11 January 2021 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Pilbara before submitting your application.

<sup>5</sup> BPAY® is a bill payment service. For further information, please see [www.bpay.com.au](http://www.bpay.com.au).

BPAY® you are not required to submit the personalised Entitlement Form but are taken to make the statements on that form.

For instructions on how to pay by BPAY® refer to section 5.1 below.

#### **4.4 If you wish to take up part of your Entitlement**

If you wish to take up part of your Entitlement and reject the balance, you should make your payment by BPAY® for the adjusted amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) so that it is received by 5.00pm (AEDT) on 11 January 2021. Note that when paying by BPAY® you are not required to submit the personalised Entitlement Form but are taken to make the statements on that form.

For instructions on how to pay by BPAY® refer to section 5.1 below.

#### **4.5 If you do not wish to take up your Entitlement**

If you do not wish to take up your Entitlement, you should do nothing.

By letting your Entitlement lapse you will forgo any exposure to increases or decreases in the value of New Shares. Your percentage shareholding in Pilbara will also be diluted.

#### **4.6 Ineligible Retail Shareholders**

Ineligible Retail Shareholders may not take up all or any part of their Entitlement.

## 5. How to pay

The Offer Price of \$0.36 per New Share accepted is payable on acceptance of your Entitlement.

**If you wish to take up all or part of your Entitlement you must make payment by BPAY®.**

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

Pilbara will treat you as applying for as many New Shares as your payment will pay for in full, up to your Entitlement. If your payment will pay for more than your full Entitlement, Pilbara will treat you as applying for your full Entitlement, and any Application Monies received for more than your final allocation of New Shares will be refunded except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by the Company. No interest will be paid on any Application Monies received or refunded.

Application Monies received from Eligible Retail Shareholders will be held in the **Pilbara Retail Entitlement Offer Account** solely for the purpose of holding the Application Monies.

To the fullest extent permitted by law, each Eligible Retail Shareholder agrees that any Application Monies paid by them to Pilbara will not entitle them to any interest against Pilbara and that any interest earned in respect of Application Monies will belong to Pilbara. This will be the case, whether or not all or none (if the Retail Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

### 5.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement Form obtained online from [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au) (which includes the biller code and your unique reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please make sure to use the specific Biller Code and unique Reference Number provided on your Entitlement Form. If you have multiple holdings and receive more than one Entitlement Form, when taking up your Entitlement in respect of one of those holdings, please only use the Reference Number specific to the Entitlement on that form. If you do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of your Entitlements, your application will be recorded against the holding associated with Reference Number you use.

Please note that when paying by BPAY®:

- you do not need to submit the personalised Entitlement Form but are taken to have made the statements on that personalised Entitlement Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies received.

You should be aware that your Australian financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (AEDT) on 11 January 2021.



## 5.2 Effect of participating in Retail Entitlement Offer

By making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- all details and statements made in the personalised Entitlement Form are complete and accurate;
- you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer;
- you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement Form as being held by you on the Record Date;
- once Pilbara receives your payment by BPAY®, you may not withdraw it except as allowed by law;
- you have read and understood this Information Booklet and the personalised Entitlement Form;
- the information contained in this Information Booklet is not investment advice nor a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Pilbara and is given in the context of Pilbara's past and on-going continuous disclosure announcements to ASX;
- you have read and understand the statement of risks in the "Key Risks" section of the Investor Presentation included in section 7 of this Information Booklet, and you understand that investments in Pilbara are subject to risk;
- neither Pilbara nor the Underwriter, nor their respective related bodies corporate or affiliates nor any of their respective directors, officers, partners, employees, representatives, contractors, consultants, agents or advisors (together, the **Beneficiaries**), warrants or guarantees the future performance of Pilbara, nor do they guarantee any repayment of capital or return on any investment made pursuant to the Retail Entitlement Offer;
- you agree to:
  - apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$0.36 per New Share;
  - provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date; and
  - be bound by the terms of this Information Booklet and the provisions of the Company's constitution;
- you authorise Pilbara to:
  - register you as the holder of New Shares and you authorise Pilbara, the Underwriter, the Registry and their respective Beneficiaries to do anything on your

behalf necessary for the New Shares to be issued to you, including to act on instruction of the Registry by using the contact details set out in the personalised Entitlement Form; and

- correct any errors in your personalised Entitlement Form or other form provided by you;
- you acknowledge and agree that:
  - determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Pilbara and/or the Underwriter; and
  - each of Pilbara and the Underwriter, and each of their respective Beneficiaries, disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- you represent and warrant that:
  - (for the benefit of Pilbara, the Underwriter and their respective Beneficiaries) you are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
  - the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer; and
  - (for the benefit of Pilbara, the Underwriter and their respective Beneficiaries) you are an Eligible Retail Shareholder.

By making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer you will also be deemed to:

- have represented and warranted that:
  - you are not in the United States and are not applying for New Shares on behalf of, or for the account or benefit of, a person in the United States;
  - you and each person on whose account you are acting are not engaged in the business of distributing securities; and
  - you and each person on whose account you are acting have not and will not send any materials relating to the Retail Entitlement Offer, including this Information Booklet and the Entitlement Form, to any person that is in the United States; and
- acknowledge on your own behalf and on behalf of each person on whose account you are acting that:
  - you are not in the United States and you are not acting for the account or benefit of a person in the United States;
  - you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and that, accordingly, the Entitlements may not be taken up or exercised by a person in the United States, and the New Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the U.S. Securities Act and any other applicable securities laws;

- you are subscribing for and purchasing the New Shares outside the United States in an 'offshore transaction' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- you have not and will not send this Information Booklet, the Entitlement Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand;
- you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement Form or any information relating to the Retail Entitlement Offer to any such person.

## 6. Australian tax implications

### 6.1 General

The section below provides a general summary of the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

This section is intended to provide a summary for Eligible Retail Shareholders who are permanent residents for Australian income tax purposes and hold their Shares on capital account. This summary does not consider the implications for Eligible Retail Shareholders who:

- are exempt from Australian income tax;
- acquired their Shares as a result of an employment or services arrangement;
- are banks or insurance companies;
- hold their Shares on revenue account or as trading stock;
- are non-residents for Australian tax purposes; or
- are subject to the Australian taxation of financial arrangement (TOFA) rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The information in this section is general in nature and is based on the relevant Australian tax legislation in force, and the administrative practice of the relevant revenue authorities, as at the date of this Information Booklet. It is not intended to be, nor should it be construed to be, legal or tax advice to any Eligible Retail Shareholder. This Section does not take into account the individual circumstances of any Eligible Retail Shareholder and should not be relied upon by any Eligible Retail Shareholder or any other person. Pilbara and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences.

**It is strongly recommended that each Eligible Retail Shareholder should obtain, and only rely upon, their own independent professional tax advice in respect of the Retail Entitlement Offer, applicable to their particular circumstances.**

### 6.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### 6.3 Exercise of Entitlements

The exercise of an Entitlement should not, of itself, result in an amount being included in the assessable income of an Eligible Retail Shareholder.

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares.

Each New Share will constitute a separate asset for CGT purposes. The Offer Price for the New Shares will form part of the cost base (or reduced cost base) of the New Shares held by an Eligible Retail Shareholder. Each of the New Shares will be taken to be acquired on the day that the Entitlement in respect of the New Share is exercised.

#### **6.4 Entitlements not taken up**

Any Entitlements not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration for those Entitlements. There should not be any tax implications for the Eligible Retail Shareholder in these circumstances.

#### **6.5 Distributions**

Any future dividends or other distributions made in respect of New Shares should be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

#### **6.6 TFN/ABN withholding**

Pilbara may be required to withhold amounts from income distributions at the highest marginal tax rate plus the Medicare Levy if a TFN, ABN, or evidence of an appropriate exemption from quoting such numbers, has not been provided. In that instance, the Shareholder will however be entitled to a credit or refund in their tax returns to the extent of the tax withheld.

If an Eligible Retail Shareholder has quoted their TFN or ABN or an exemption from quoting such numbers applies in respect of their existing holding of Shares, this quotation or exemption will also apply in respect of any New Shares acquired by that Eligible Retail Shareholder.

#### **6.7 Disposals**

The disposal of a New Share will constitute a disposal for CGT purposes. The time of the CGT event should be the date of the contract for sale or the date of transfer of the New Shares.

On disposal of a New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Share. An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share. The cost base of a New Share should generally be the amount the Eligible Retail Shareholder pays to acquire the New Share plus any incidental costs incurred (for example, brokerage). Reduced cost base is usually determined in a similar, but not identical, manner.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares for 12 months or more at the time of disposal (excluding the dates of acquisition and disposal) should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after first applying any current or prior year capital losses to reduce any capital gains). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities. Corporate Shareholders and Non-Australian resident individual Shareholders are not eligible for the general CGT discount concession.

New Shares will be treated for the purposes of the CGT discount as having been acquired when an Eligible Retail Shareholder exercises their Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Eligible Retail Shareholder exercised their Entitlement (excluding the dates of acquisition and disposal).

Eligible Retail Shareholders that make a capital loss on the disposal of their New Shares can only use that loss to offset other capital gains, i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided, in the case of a corporate or trustee Eligible Retail Shareholder, that certain loss recoupment tests are satisfied.

## **6.8 Other Australian taxes**

While the Shares remain quoted on the ASX, no Australian GST or stamp duty should be payable in respect of the issue or exercise of the Retail Entitlement Offer, or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

Australian resident Eligible Retail Shareholders who are registered for GST will need to consider their individual circumstances as to whether they are entitled to claim input tax credits for GST incurred on expenses related to the exercise of the Entitlement or disposing of New Shares.

**7. ASX Offer Announcements**



**Pilbara  
Minerals**

...Powering a sustainable energy future

ASX / MEDIA ANNOUNCEMENT

14 DECEMBER 2020

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

## EQUITY RAISING LAUNCHED TO FUND THE ACQUISITION OF THE ALTURA LITHIUM PROJECT

### HIGHLIGHTS

- The approval by ALO creditors and execution of Pilbara Minerals' sponsored DOCA on 11 December 2020 satisfies an important pre-condition to the proposed acquisition of the neighbouring Altura Project for US\$175 million<sup>1</sup>.
- Acquisition to be largely funded through a A\$240 million equity raising, comprising a A\$119 million cornerstone placement (now complete) and a A\$121 million fully-underwritten 1-for-7.6 non-renounceable entitlement offer (launching today), both at a fixed offer price of A\$0.36 per share.
- The acquisition provides a unique opportunity to realise tangible operational synergies by consolidating the two neighbouring projects into a single integrated operation.

### TRANSACTION SUMMARY

As previously announced, Pilbara Minerals Limited ("**Pilbara Minerals**" or the "**Company**") (ASX: PLS) 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 all of the shares in Altura Lithium Operations Pty Ltd ("**ALO**"), the entity which owns Altura's Pilgangoora Lithium Project ("**Altura Project**"), for US\$175 million<sup>1,2</sup> ("**Share Sale Agreement**"). Completion under the Share Sale Agreement is conditional on:

- effectuation of the Deed of Company Arrangement ("**DOCA**"), which has now been approved by ALO creditors and signed by Pilbara Minerals, ALO, the Receivers and Clifford Rocke and Jeremy Nipps in their capacity as administrators of ALO; and,
- completion of a A\$240 million equity raising in support of the transaction.

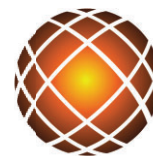
As announced on 28 October 2020, Pilbara Minerals is funding the upfront cash consideration of US\$155 million and associated transaction costs through the proceeds of the A\$240 million equity raising.

The equity raising comprises:

<sup>1</sup> 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.

<sup>2</sup> Excludes DOCA funding of A\$6 million and A\$7 million loan facility provided to Receivers.





- a ~A\$119 million placement to AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper (“**AustralianSuper**”) and Resource Capital Fund VII L.P. (“**RCF VII**”) (“**Placement**”), with the placement shares now issued and allotted; and,
- a ~A\$121 million fully underwritten accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) which is launching today and is available to all eligible Pilbara Minerals shareholders (together, the “**Equity Raising**”).

Pilbara Minerals’ Managing Director, Ken Brinsden, said:

*“We are pleased to confirm the successful completion of the Placement and announce the formal launch of the Entitlement Offer to all eligible shareholders which represents the final step in acquiring the Altura Project.”*

*“We thank both AustralianSuper and RCF VII for their role in cornerstoning the equity raising and their continued support throughout the acquisition process.”*

*“The acquisition of the Altura Project on an unencumbered basis provides us with maximum flexibility to operate an enlarged Pilgangoora Operation once both projects have been integrated and consolidated. The Receiver placed the Altura Project into care and maintenance on 26 October 2020 and, since then, our technical team has been undertaking an evaluation of the operations which, when combined with an assessment of the prevailing market conditions, will ultimately help us decide when to recommence operations at the Altura Project under a single unified operation.”*

*“Pilbara Minerals is uniquely placed to realise the full value of benefits that should arise from acquiring the neighbouring Altura Project. This, when combined with the additional production capacity and uncommitted offtake positions, means we are strongly placed to capitalise on improving lithium market conditions and the expected long-term industry growth trend.”*

## STRATEGIC RATIONALE

The acquisition of the Altura Project provides Pilbara Minerals with a unique opportunity to realise tangible operational synergies by consolidating the two neighbouring projects into a single integrated operation:

- **Enhances scale:** Enhances scale of operations with increased production capacity, Mineral Resource and Ore Reserve base, and exploration potential. The combined operation will be one of the select few operating spodumene projects globally which are 100% owned by one company;
- **Tangible synergies:** Consolidation of neighbouring operations to unlock tangible synergies, including integration of mining operations, economies of scale, removal of duplicated services and unlocking sterilised Ore Reserves at the tenement boundary. Targeted quantifiable operational synergies of A\$18 – 27 million per annum have been estimated, with several additional synergies subject to further work<sup>3</sup>;

<sup>3</sup> Synergies and associated cost savings based on Pilbara Minerals’ internal estimates and represent targets only. Further information to be provided to the market in due course. See the key risks of the Investor Presentation released to the ASX for further information.



- **Flexibility:** Acquisition following Deed of Company Arrangement delivers Altura's lithium assets as a "clean slate," providing maximum flexibility to optimise the integrated operations;
- **Speed to market:** Ability to rapidly increase production in response to a rising lithium market<sup>4</sup> to satisfy existing diversified customer base and new customers, with added flexibility from two processing plants; and,
- **Market relevance:** Secures position as the leading ASX-listed pure-play lithium company as measured by enterprise value with greater market appeal, investor relevance and importance to the entire lithium ion battery and EV supply chain.

## OVERVIEW OF THE ALTURA PROJECT

The Altura Project is a producing hard rock spodumene concentrate operation located on an adjoining tenement package immediately to the west of Pilbara Minerals' Pilgangoora Lithium-Tantalum Project ("**Pilgangoora Project**").

The Altura Project commenced production in 2018, reached commercial production in early 2019 and produced 181,263 wet metric tonnes of spodumene concentrate in the year ended 30 June 2020<sup>5</sup>.

The operation is part of the same mineralised system as the Pilgangoora Project and uses similar open-pit mining methods, processing flowsheets and mining equipment. The combination of these factors combined with the proximity of both operations, provides a unique opportunity for a single owner to realise tangible synergies both immediately post acquisition and over time.

## EQUITY RAISING

The A\$240 million Equity Raising will comprise:

- A ~A\$119m Placement, with AustralianSuper allotted ~160 million ordinary shares in Pilbara Minerals and RCF VII allotted ~171 million ordinary shares in Pilbara Minerals. The Placement shares were issued and allotted earlier today, meaning these shares are eligible to participate in the Entitlement Offer; and,
- A ~A\$121m 1-for-7.6 fully underwritten Entitlement Offer launching today, which will result in the issue of approximately 337 million shares in Pilbara Minerals.

All shares offered under the Equity Raising ("**New Shares**") have or will be issued at a price of A\$0.36 per New Share. Assuming the successful completion of the Entitlement Offer and acquisition of the Altura Project, Pilbara Minerals is expected to maintain its robust balance sheet position with a pro-forma 30 June 2020 cash balance of A\$96 million<sup>6</sup> and an undrawn US\$15 million working capital facility.

<sup>4</sup> Pilbara Minerals will assess prevailing spodumene market conditions (including the effect of both demand and pricing outcomes) prior to any decision to recommence operations of ALO.

<sup>5</sup> Refer to Altura's ASX release titled 'Quarterly Activities Report' (31 July 2020).

<sup>6</sup> Actual cash at 30 June 2020 of A\$86 million adjusted for net refinancing adjustments (+A\$6 million) and adjusting for acquisition and equity raising adjustments (+A\$4 million).



Each New Share issued under the offer will rank equally with existing fully paid ordinary shares in Pilbara Minerals. Following issue of the New Shares under the offer, Pilbara Minerals will seek quotation of the New Shares on the ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one New Share for every 7.6 existing Shares held as at 7:00pm (Sydney time) on Wednesday, 16 December 2020 ("**Record Date**").

Eligible institutional investors will be invited to participate in the accelerated institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"), which is expected to be conducted on Monday, 14 and Tuesday, 15 December 2020.

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") will be open from Friday, 18 December 2020 to Monday, 11 January 2021 to eligible retail shareholders with a registered address in Australia or New Zealand as at 7:00pm (Sydney time) on the Record Date. Offer documents in respect of the Retail Entitlement Offer will be lodged with the ASX on Friday 18 December 2020, with details on how to access those documents to be sent in a letter to eligible retail shareholders on Friday, 18 December 2020. The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited and sub-underwritten by AustralianSuper and RCF VII.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Macquarie Capital (Australia) Limited is acting as Financial Adviser, Sole Lead Manager, Underwriter and Bookrunner to Pilbara Minerals. Allen & Overy is acting as Legal Advisor to Pilbara Minerals.

## INDICATIVE OFFER TIMETABLE

Event	Date
Signing of the Pilbara Minerals sponsored DOCA Proposal	Friday, 11 December 2020 – Complete
Completion of Subscription Agreements with AusSuper and RCF	Friday, 11 December 2020 – Complete
Allotment of shares issued under the Placement	Monday, 14 December 2020 – Complete
Trading Halt (pre-market open)	Monday, 14 December 2020
Institutional Entitlement Offer opens	Monday, 14 December 2020
Announcement of the results of the Institutional Entitlement Offer	Wednesday, 16 December 2020
Trading resumes on an ex-entitlements basis	Wednesday, 16 December 2020
Record date for Retail Entitlement Offer	7.00pm, Wednesday, 16 December 2020
Retail Entitlement Offer opens	Friday, 18 December 2020
Settlement of securities under the Institutional Entitlement Offer	Tuesday, 22 December 2020
Allotment and trading of shares issued under the Institutional Entitlement Offer	Wednesday, 23 December 2020
Retail Entitlement Offer closes	Monday, 11 January 2021
Retail shortfall notification date and announcement of results of Retail Entitlement Offer	Thursday, 14 January 2021



Event	Date
Settlement of shares issued under the Retail Entitlement Offer	Friday, 15 January 2021
Allotment and trading of shares issued under the Retail Entitlement Offer	Monday, 18 January 2021

The timetable above is indicative only and may be subject to change. Pilbara Minerals and the Sole Lead Manager reserve the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Completion under the Share Sale Agreement is expected to occur shortly following completing the allotment of shares under the Retail Entitlement Offer.

## FURTHER INFORMATION

For further information on the transaction, Pilbara Minerals shareholders should read Pilbara Minerals' investor presentation titled, "Equity Raising and Acquisition of the Altura Project" which has been lodged with the ASX today.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

The Company securities are expected to resume trading on Wednesday, 16 December 2020 when the Company announces the results of the Institutional Entitlement Offer.

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

## CONTACTS

### Investors / shareholders

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### Media

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Read Corporate  
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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.

## NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

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.

## Positioning for the future

### Equity raising and acquisition of Altura Project

14 December 2020

ASX: PLS

## Important notices

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A retail information booklet for the retail component of the entitlement offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Information Booklet in deciding whether to apply under that offer.

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# Important notices

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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, the outcome of the Offer and the use of proceeds, 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. Refer to the 'Key risks' section of this document for a summary of certain general, Pilbara Minerals specific and acquisition specific risk factors that may affect Pilbara Minerals. 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, including the risk factors set out in this document. 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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# Important notices

## Mineral Resources and Ore Reserves

Recipients of this presentation outside Australia should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"), whereas mining companies in other countries may be required to report their ore reserves and/or mineral resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Investors should note that such estimates of reserves are largely dependent on the interpretation of data and may prove to be incorrect over time. No assurance can be given that the reserves and contingent resources presented in the document will be recovered at the levels presented.

Recipients should note that while Pilbara Minerals' Mineral Resource and Ore Reserve estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. In particular, SEC Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources, including indicated and inferred resources, in SEC filings. Accordingly, if Pilbara Minerals were reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any mineral resources, including indicated and inferred resources, and the amount of reserves reported by Pilbara Minerals may be lower than its estimates. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that Pilbara Minerals will be able to legally and economically extract them. In addition, investors should note that under SEC Industry Guide 7, mine life may only be reported based on ore reserves. Mine life estimates in this presentation assume that a portion of non-reserve resources will be converted to ore reserves, which would not be permitted under SEC Industry Guide 7.

Investors should have regard to the Key risk entitled 'Estimates of ore reserves and mineral reserves' on page 37 of this document for further information on ore reserves and mineral resources.

## Information Regarding the Altura Project

The information regarding the Altura Project in this presentation 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 presentation. 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.

## No New Information

Information relating to the current Mineral Resource and Ore Reserve estimates, production targets and forecast information derived from the production targets (including information relating to the proposed expansions of the Pilgangoora Project), each in respect of the Pilgangoora Project, is extracted from the ASX announcement dated 3 August 2018 entitled "Outstanding DFS Results Support Pilgangoora Expansion"; the ASX announcement dated 17 September 2018 entitled "Pilgangoora Reserve and Resource Upgrade"; the ASX announcement dated 26 March 2019 "Stage 3 Scoping Study Outcomes"; the ASX announcement dated 27 August 2019 entitled "Update on Partnering Process and Revised Stage 2", and as updated in the 30 June 2020 Annual Report.

Pilbara Minerals confirms that it is not aware of any new information or data that materially affects the information included in these announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates, production targets and forecast financial information derived from the production targets in the announcements continue to apply and have not materially changed. Pilbara Minerals confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

The scoping and other technical studies referred to in this presentation in respect of the revised incremental Stage 2 expansions have been undertaken to determine the potential viability of those expansions and to reach a decision to proceed with more definitive studies. Each scoping study has been prepared to an accuracy level of  $\pm 30\%$ . Each scoping and technical study is based on low-level technical and economic assessments and is insufficient to provide assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised. The results of the studies should not be considered a profit forecast or production forecast.

## Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document (including in charts, graphs or tables in the document) are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

## Past Performance

Past performance is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Pilbara Minerals performance including future share price performance.





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Statements made in this document are made only as at the date of this document. The information in this document remains subject to change without notice.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Pilbara Minerals and the Underwriters; and
- each of Pilbara Minerals’, each Underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Pilbara Minerals reserves the right to withdraw or vary the timetable for the Offer without notice.

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the terms set out in this important notice and disclaimer.

## Authorisation of release

Release of this market announcement is authorised by Ken Brinsden, Pilbara Minerals Limited’s Managing Director and Chief Executive Officer.



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# Overview of the acquisition and equity raise

Introduction to the combined operation

Equity raising

Appendices

## Overview of the proposed transaction

Logical consolidation of neighbouring operations



**Pilbara Minerals to acquire Altura Lithium Operations Pty Ltd (“ALO”) for US\$175 million<sup>1,2</sup>**

**A cost effective acquisition for which Pilbara Minerals is uniquely placed to add value**



**Unique opportunity to realise tangible operational synergies by consolidating the two neighbouring projects into a single integrated operation<sup>3</sup>**



**Acquisition to be funded through a A\$240 million equity raising, with binding equity commitments received for the full raising amount from AustralianSuper and Resource Capital Funds. A\$119m placement is now complete and A\$121m entitlement offer to all eligible shareholders is launching today**



1. Based on upfront cash consideration of US\$155 million and deferred consideration equivalent to US\$20 million (“Deferred Consideration”). Excludes Deed of Company Arrangement (DOCA) funding of A\$6 million and A\$7 million receiver loan facility. Refer slide 28 for further details on the Deferred Consideration.
2. Pilbara Minerals entered into a conditional Implementation Agreement with the senior secured loan noteholders of ALO as announced to the ASX on 28 October 2020. Following the completion of a receivership sale process, Pilbara Minerals entered into a Share Sale Agreement as announced to the ASX on 1 December 2020. The Share Sale Agreement is conditional on a Pilbara Minerals’ DOCA proposal being approved at the second meeting of creditors (which received approval on 11 December 2020), the effectuation of the DOCA, and the completion of a A\$240 million equity raising (noting that a A\$121 million entitlement offer was launched today following the completion of a A\$119 million placement). See the Key risk entitled ‘Completion Risk’ on page 41 for further details on entry into the Share Sale Agreement.
3. Subject to all necessary regulatory approvals and/or appropriate commercial agreements being finalised. See Key risks, including the Key risks on page 36, 40, 42, and 43 for further details;
4. Picture (top) displays proximity of Pilbara Minerals’ processing plant and central mine area to the Altura Project.

# Strategic rationale

Proposed transaction expected to deliver significant benefits to Pilbara Minerals' shareholders<sup>1</sup>



**Enhances scale of operations** with increased production capacity, Mineral Resource and Ore Reserve base, and exploration potential. The combined operation will be one of the select few operating spodumene projects globally which are **100% owned by one company**

Enhances scale<sup>1</sup>



**Consolidation of neighbouring operations to unlock tangible synergies**, including integration of mining operations, economies of scale, removal of duplicated services and unlocking sterilised Ore Reserves at the tenement boundary

Tangible synergies



**Acquisition following Deed of Company Arrangement delivers Altura's lithium assets as a "clean slate,"** providing maximum flexibility to optimise the integrated operations

Flexibility



**Ability to rapidly increase production in response to a rising lithium market<sup>2</sup> to satisfy existing diversified customer base and new customers**, with added flexibility from two processing plants

Speed to market



**Secures position as the leading ASX-listed pure-play lithium company as measured by enterprise value** with greater market appeal, investor relevance and importance to the entire lithium ion battery and EV supply chain

Market relevance

1. See Key risks, including acquisition and integration risks on page 41 and 42, specifically including the risks entitled 'Reliance on information provided', 'Integration risk' and 'Analysis of acquisition opportunity' concerning Altura Lithium Operations Mineral Resource and Ore Reserve base, for further details.  
2. Pilbara Minerals will assess prevailing spodumene market conditions (including the effect of both demand and pricing outcomes) prior to any decision to recommence operations of ALO.



## Key transaction terms

Synergistic acquisition of Pilbara Minerals' neighbouring project

Acquisition	<ul style="list-style-type: none"> <li>As announced to the ASX on 1 December 2020, Pilbara Minerals entered into a Share Sale Agreement ("SSA") 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 ("Receiver") for the acquisition of 100% of the shares in Altura Lithium Operations Pty Ltd ("ALO"), which owns and operates Altura's Pilgangoora Lithium Project ("Altura Project"), for US\$175 million<sup>1</sup> ("Acquisition")</li> <li>Share Sale Agreement, subject to the conditions precedent below, will see Pilbara Minerals acquire all of the shares of Altura Lithium Operations Pty Ltd ("Altura Lithium Operations") from the Receiver unencumbered from senior debt, creditors and claims from pre-administration contracts</li> </ul>
Consideration overview	<ul style="list-style-type: none"> <li>Total consideration of US\$175 million<sup>1</sup> ("Total Consideration") includes: <ul style="list-style-type: none"> <li><b>Cash Consideration:</b> an upfront cash payment of US\$155 million ("Cash Consideration")</li> <li><b>Deferred Consideration:</b> deferred consideration equivalent to approximately US\$20 million (valued at announcement date of 28 October 2020), being approximately 69 million new shares in Pilbara Minerals (at a deemed issue price of A\$0.4072) payable up to 12 months after completion of the SSA ("Maturity Date"). Refer slide 28 for further details</li> </ul> </li> <li>Pilbara Minerals agreed to support the receivership and administration process by providing Deed of Company Arrangement ("DOCA") funding of A\$6 million and a receiver loan facility of A\$7 million</li> </ul>
Conditions precedent	<ul style="list-style-type: none"> <li>Completion of the A\$240 million equity raising (underway)</li> <li>Approval of the Pilbara Minerals sponsored DOCA (now approved, as announced to the ASX on 11 December 2020) and effectuation of the DOCA</li> </ul>
Committed acquisition funding	<ul style="list-style-type: none"> <li>Pilbara Minerals intends to fund the acquisition through a A\$240 million equity raising</li> <li>Pilbara Minerals has received binding equity commitments from AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper ("AustralianSuper") and Resource Capital Fund VII L.P. ("RCF VII") to support the A\$240 million equity raising ("Equity Raising"), including: <ul style="list-style-type: none"> <li>A\$119 million placement at a fixed price of A\$0.36 per share which completed on 11 December 2020 ("Placement")</li> <li>Binding commitments to sub-underwrite a A\$121 million non-renounceable accelerated entitlement offer at a fixed price of A\$0.36 per share ("Entitlement Offer")</li> <li>The offer price of A\$0.36 represented a 7.7% discount to Pilbara Minerals' last traded price on 27 October 2020 of A\$0.39 per share (being the signing date of the Implementation Deed)</li> </ul> </li> <li>Assuming the successful completion of the Equity Raising and acquisition of the Altura Project, Pilbara Minerals is expected to maintain a strong balance sheet position with a pro-forma 30 June 2020 cash balance of approximately A\$96 million<sup>2</sup></li> </ul>

1. Excludes DOCA funding of A\$6 million and A\$7 million receiver loan facility.  
2. Pro-forma cash position as at 30 June 2020 is based on 30 June 2020 audited financial statements (A\$86 million), adjusted for the impact of the subsequent debt refinancing with BNP Paribas / CEFC as released on the ASX on 30 July 2020, and reflecting the Altura acquisition / related equity raise and after allowing for DOCA funding (A\$6 million), stamp duty and transaction costs.



## Overview of the acquisition and equity raise

## Introduction to the combined operation

## Equity raising

## Appendices

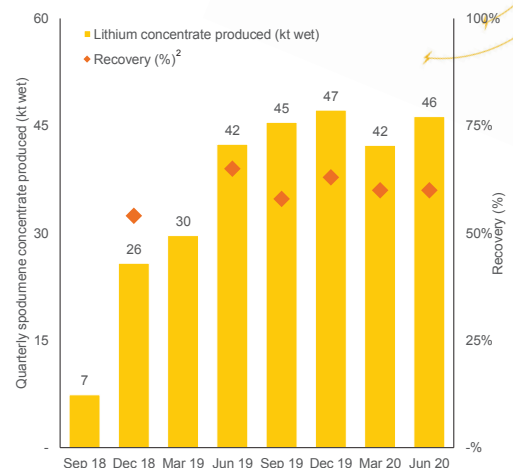
## Overview of the Altura Project

The Altura Project is Pilbara Minerals' neighbouring operation

### Project overview<sup>1</sup>

- The Altura Project is a hard-rock lithium operation which shares common tenement boundaries (to the south and west) with Pilbara Minerals' Pilgangoora Lithium-Tantalum Project ("Pilgangoora Project")
  - A fully-integrated open-pit mine and processing plant which began production in 2018 and reached commercial production in early 2019
  - The mine produced 181kt (wet) of lithium concentrate in FY20
- Traditional open-pit mining, DMS (dense media separation) and spodumene flotation methods are used for the recovery of spodumene concentrate at the Altura Project, the methods of which are well understood by Pilbara Minerals
  - Ore processed via an on-site processing plant to produce spodumene concentrate
  - Spodumene concentrate is hauled to Port Hedland and exported in bulk to China for further processing
- The Altura Project has a previously disclosed 37.6Mt @ 1.08% Li<sub>2</sub>O Ore Reserve and 45.7Mt @ 1.06% Li<sub>2</sub>O Mineral Resource<sup>3</sup>
  - Pilbara Minerals will complete a review of Altura's previously stated Ore Reserve and Mineral Resource (using its own economic assumptions and modifying factors)<sup>4</sup>, and will release an updated Ore Reserve and Mineral Resource to the market in due course
  - The Altura Project plant operated at approximately 60% recovery<sup>1</sup>. Given Pilbara Minerals' prior track record of improving recoveries at its Pilgangoora Project, Pilbara Minerals believes it is well placed to improve the Altura Project's spodumene recovery rates through (but not exclusively as a result of) plant modifications and modified flotation reagent regimes

### Altura historical quarterly metrics<sup>4,5</sup>



1. See the Key risks on pages 41 and 42, specifically including the risk entitled 'Reliance on information provided' concerning Altura Lithium Operations and Pilbara Minerals' analysis of the Altura Lithium Project;  
2. Recoveries not disclosed by Altura prior to commercial production except for the December 2018 quarterly;  
3. Altura's JORC Ore Reserve and Mineral Resource metrics as announced by Altura to the ASX on 9 October 2019.  
4. See the Key risk on pages 37, 41 and 42, specifically including the risks entitled 'Estimates of Ore Reserves and Mineral Resources' and 'Integration risk'.  
5. Based on Altura's ASX quarterly announcements.

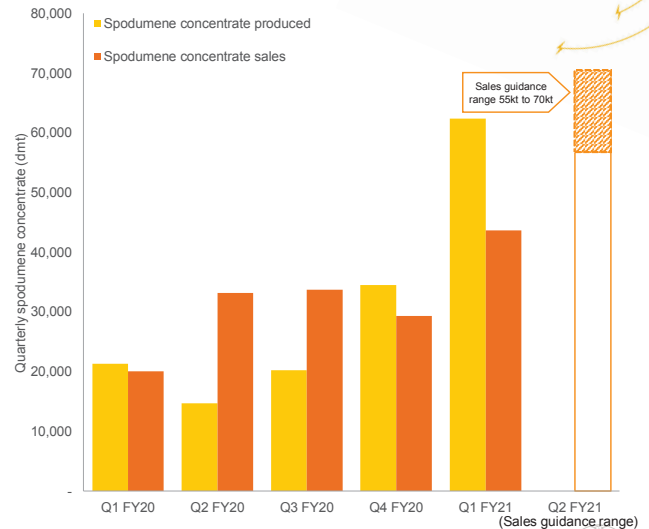
# Overview of Pilbara Minerals' Pilgangoora Project

Moving from moderated production towards full production

## Project overview

- 100% owned Pilgangoora Lithium-Tantalum Project with multi-stage mine expansion:
  - Stage 1, in production (~330ktpa designed nameplate capacity)
  - Stage 2, phased expansion study in progress (targeting ~800-850ktpa nameplate capacity)
- JORC Mineral Resource of 222.5Mt @ 1.26% Li<sub>2</sub>O Ore and 104.6Mt @ 1.26% Li<sub>2</sub>O Ore Reserve as at 30 June 2020<sup>1</sup>
- Products:
  - ~6% Li<sub>2</sub>O spodumene concentrate ("SC") sold to Chinese and South Korean markets
  - +5% primary tantalite concentrate
- Moderated production during FY20 in response to softer market conditions. Increased production in Q1 FY21 (62.4kdmmt of SC)
  - Sales guidance for Q2 FY21 of 55-70kdmmt of SC
- Plant modifications and optimised operating regimes during FY20 materially improved product recovery performance of the plant to near design recovery rates (72-78% lithia recovery) through free-iron removal, grind size optimisation and plant stabilisation works
- Further plant improvement works planned during CY21 to support and enhance product recovery, plant operating time and ultimate Stage 1 plant production capacity and performance
  - Capital cost estimate of ~A\$18-20 million to be spent in H1 CY2021
- September Qtr (FY21) cash operating costs<sup>2</sup> – US\$355/dmt (CIF China)
- Targeting cash operating costs of US\$320 - \$350/dmt CIF China (SC6.0 basis), once steady-state full production capacity has been achieved

## Historical quarterly production and sales



<sup>1</sup> Refer to No New Information section on page 4 and relevant ASX announcements relating to the resource and reserve statements of the Company's Pilgangoora Project.

<sup>2</sup> Cash operating costs include mining, processing, transport, state and private royalties, native title costs, port, shipping/freight and site based general and administration costs and are net of Ta<sub>2</sub>O<sub>5</sub> by-product credits. Cash operating costs are calculated on an incurred basis (including accruals) and include inventory movements.



# Overview of the combined operation

The Altura Project is expected to significantly contribute to the combined operations



- 100% owned Australian hard rock lithium operation
- Processing know-how developed



- Consolidated greater Pilgangoora orebody
- Opportunity to remove duplicate services and infrastructure



- Dual open pit mines offering mining flexibility
- Known spodumene recovery techniques with improvement plan to be implemented at ALO
- Common logistics chains used for mine to ship transportation



- Supported by Tier 1 offtake partners – CATL/Yibin Tianyi, Ganfeng Lithium, General Lithium, Great Wall and POSCO
- Funded by world-class financial organisations – BNP Paribas and CEFC

	Pilbara Minerals	Relative contribution		Altura
Enterprise value (A\$ million) <sup>1</sup>	1,972	89%	11%	236
Contained Li <sub>2</sub> O Mineral Resource (Mt) <sup>2</sup>	2.8	85%	5%	0.5
Capacity (dry kt conc.) <sup>3</sup>	330	62%	38%	206

<sup>1</sup> Altura Project enterprise valuation based on Total Consideration of A\$236 million, including US\$155 million upfront consideration converted at 0.7442 and A\$28 million which represents the minimum value of Deferred Consideration at 27 October 2020. Refer to slide 28 for further details on Deferred Consideration. Altura has been in involuntary suspension since 7 August 2020 and hence does not have a trading enterprise valuation.

<sup>2</sup> Altura's JORC Mineral Resource metrics as announced by Altura to the ASX on 9 October 2019. See the Key risks on page 37, 41 and 42 of this document, including the Key risk entitled 'Estimates of Ore Reserves and Mineral Resources' and 'Reliance on Information Provided' for further information on Ore Reserves and Mineral Resources.

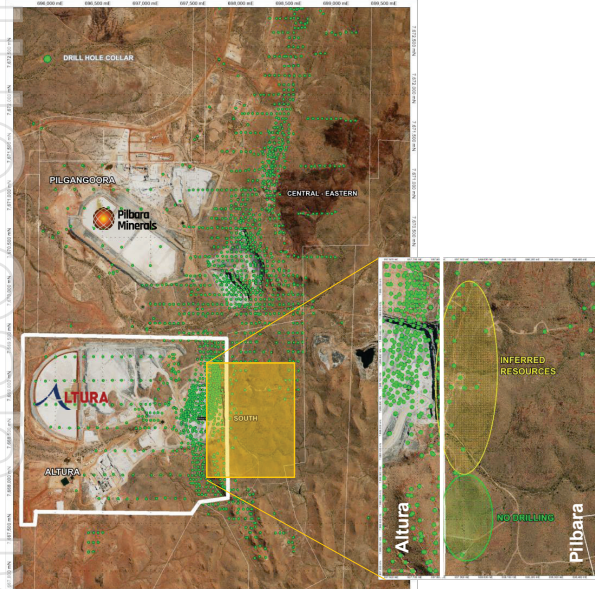
<sup>3</sup> Stated on a dry basis and based on Pilbara Minerals' Stage 1 nameplate annual production capacity of 330,000 dmt ~6.0% spodumene concentrate and Altura's Stage 1 annual production capacity of 219kwtm 6.0% spodumene concentrate as per Altura's ASX announcement on 26 September 2016, adjusted for assumed moisture content of 6% for dry capacity of 206kdmmt. Pilbara Minerals will continue to assess design versus expected future production capacity and please refer to the Key risk entitled 'Nameplate Capacity of Pilgangoora 2Mtpa, Stage 1 Project' on page 34 of this document for further information on plant production capacity.





# Unlocking the common tenement boundary

Removal of the common tenement boundary to potentially unlock additional inventory



## Reserve liberation

- The common tenement boundary between Pilbara Minerals' and Altura's projects previously prevented Altura from mining close to the tenement boundary, sterilising a portion of the Altura Ore Reserve
- Removal of the common tenement boundary through consolidating the projects delivers:
  - access to the previously inaccessible Ore Reserve on the Altura side of the tenement; and
  - enables pit optimisation across the common orebody, potentially liberating further mineralisation on the Pilbara Minerals side of the tenement
- Significant unrealised exploration potential<sup>1</sup> on the Pilbara Minerals side of the tenement boundary for future Resource expansion, which was previously underexplored due to proximity to the tenement boundary
  - Drill programme planning is underway
  - Potential expansion of future pit inventory subject to successful exploration results

1. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



# Operating plan for Altura Lithium Operations

Initial evaluation underway to integrate projects with findings to inform the implementation strategy, subject to prevailing market conditions

## Initial evaluation *Completed*

- ✓ Receiver placed the Altura Project into care and maintenance on 26 October 2020<sup>1</sup>
- ✓ Scoping-level evaluation completed for stand-alone operation
- ✓ Improvement works identified following initial due diligence assessment of processing plant. Indicative capital cost estimate of ~A\$30-40 million<sup>2</sup> contemplated to support long-term improved operating performance and infrastructure upgrades. Estimate to be confirmed through detailed engineering assessment (Phase 1)

## Phase 1: Further evaluation *Up to 6 months<sup>3</sup>*

### Operation evaluation

- ✓ Operational modelling of combined operations
- ✓ Synergy identification, planning and implementation
- ✓ Engineering assessment of joint operations and capital improvements

### Operation preservation activities

- ✓ Equipment preservation activities
- ✓ Regulatory activities and other compliance activities

### Market engagement

- ✓ Assessment of buyers and contracts

## Phase 2: Implementation *Guided by Phase 1 assessment*

- Option 1: Hold (preservation)**  
~6 months then re-evaluate<sup>3</sup>
- Option 2: Hold and prepare (preservation + plant upgrades<sup>3</sup>)**  
Up to 12 months for upgrade (estimates)<sup>3</sup>
- Option 3: Operate (operation + progressive plant upgrades<sup>3</sup>)**  
Up to 6 months to return to previous run-rate<sup>3</sup>

1. Refer to Altura's announcement on 26 October 2020, "Appointment of Receivers and Manager". Pilbara Minerals estimates care and maintenance costs of Altura Project at ~A\$5 million pa.  
2. Due diligence level of assessment has identified required capital works cost estimated at up to A\$40 million to achieve long term sustained asset performance (availability, grade and recovery) and infrastructure upgrades.  
3. Indicative timing, subject to change.



# Potential synergies

Pilbara Minerals is the logical owner of the Altura Project and is well placed to extract quantifiable and unquantifiable operational synergies

## Estimated savings for each existing operation under consolidated operations group at full throughput and design performance levels

Pilgangoora Project <sup>1</sup>	A\$ million pa potential savings
Contract synergies (incl; mining, power, camp, flights)	2.5 – 4.0
Operational synergies (e.g. stockpile optimisations)	0.5 – 1.0
<b>Targeted saving from Pilgangoora Project synergies</b>	<b>3.0 – 5.0</b>

Altura Project <sup>1</sup>	A\$ million pa potential savings
Contract synergies (incl; power, product logistics, key consumables, camp, flights)	6.5 – 9.5
Operational synergies (e.g. operational staffing and support functions)	5.5 – 7.5
Corporate rationalisation	3.0 – 5.0
<b>Targeted saving from Altura Project synergies</b>	<b>15.0 – 22.0</b>
<b>Targeted consolidated savings from total synergies</b>	<b>18.0 – 27.0</b>



### Operational flexibility

- Potential to optimise mine plans and processing schedules, including product blending opportunities while two processing plants lowers the risk of material disruptions



### Exploration

- Consolidation of tenements to provide greater exploration potential, particularly exploration ground proximal to tenement boundaries which is underexplored



### Additional land tenure

- Additional land tenure permits a reconfiguration and optimisation of tailings and waste management which is expected to have significant cost benefits



### Speed to market

- Ability to rapidly increase production in response to a rising lithium market and promote greater optionality for future plant expansions



### Reserve liberation

- Removal of the common tenement boundary provides access to ore which had been sterilised to date without the mutual agreement to mine



### Contract rationalisation

- Acquisition following a DOCA delivers a "clean" company without pre-administration contracts going forward, enabling rationalisation of duplicated services and maximum flexibility

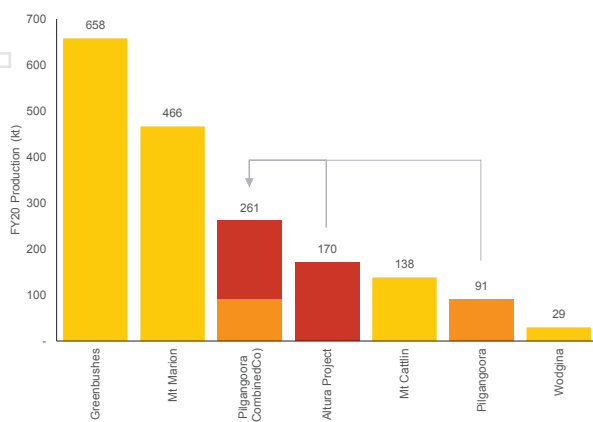
<sup>1</sup> Synergies and associated cost savings based on Pilbara Minerals' internal estimates and represent targets only. Further information to be provided to the market in due course. See the Key risks on page 41 to 43 of this document, including the Key risks entitled 'Reliance on information provided', 'Analysis of acquisition opportunity' and 'Integration risk' for further information on risks relating to analysis of the acquisition opportunity.



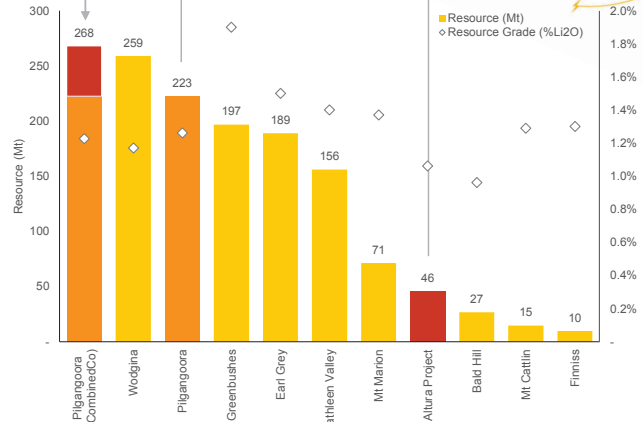
# Proforma metrics

The combination of operations consolidates Pilgangoora as one of the leading Australian lithium assets – Pilbara Minerals is one of the only Australian lithium producers to retain 100% ownership of its assets

## FY20 production (dry kt concentrate<sup>1</sup>)



## Mineral Resource & Resource grade<sup>2,3</sup>



Source: Public company announcements.

<sup>1</sup> Where wet production is disclosed for Mt Marion, Wodgina and Altura Project, assumes a 6% moisture content to convert to dry tonnes.

<sup>2</sup> Altura Project's JORC Mineral Resource metrics as announced by Altura to the ASX on 9 October 2019. See also the Key risks on page 37, 41 and 42 of this document, including the Key risk entitled 'Reliance on information provided' for further information on Mineral Resources and risks associated with information relied upon from Altura. Note: Peer set based on select ASX listed, Australian-based hard rock lithium projects.

<sup>3</sup> Metrics presented on a Mineral Resource-only basis. Pilbara Minerals will complete a review of Altura's previously stated Ore Reserve (using its own economic assumptions and modifying factors) and will release an updated Ore Reserve to the market in due course. See Key risks on page 37, 41 and 42 of this document, including the Key risk entitled 'Estimates of Ore Reserves and Mineral Resources' for further information on Ore Reserves and Mineral Resources.



# A pathway for growth

Expanded production capacity, strategic offtaker partners and robust balance sheet to support ability to capitalise on the forecast demand increase for lithium products

## ✓ Strong balance sheet and funding flexibility for future growth

- A\$96 million cash (pro-forma as at 30 June 2020, post refinancing, Altura acquisition and associated equity raise)
- US\$15 million working capital facility for the Pilgangoora Project
- US\$10 million product prepayment facility permitted under existing debt facilities for Pilgangoora providing a future funding source
- Up to US\$40 million conditional 'accordion facility' with BNP/CEFC for Pilbara Minerals' Stage 2 expansion

## ✓ Incremental development of Stage 2 expansion at Pilgangoora Project to 800-850ktpa SC

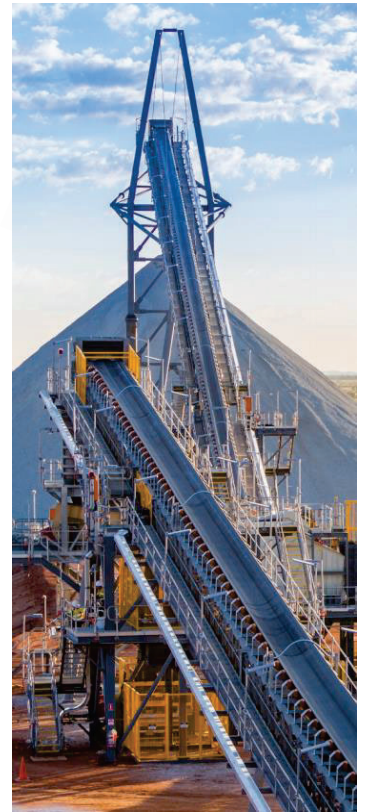
- Expansion to be aligned with Stage 2 customer demand requirements and subject to supportive market conditions

## ✓ Anticipated JV with POSCO in a South Korean lithium hydroxide processing facility, further integrating Pilbara Minerals into the downstream supply chain

- Supported by Stage 2, 315ktpa offtake agreement based on South Korean carbonate and hydroxide pricing
- Subject to further technical evaluation and due diligence, formal documentation being finalised in accordance with the previously agreed term sheet, and final investment decisions being made to establish the JV and commence development of Pilbara Mineral's Stage 2 expansion
- Timing of final investment decisions will be market dependent

## ✓ Pipeline of current and future offtake positions

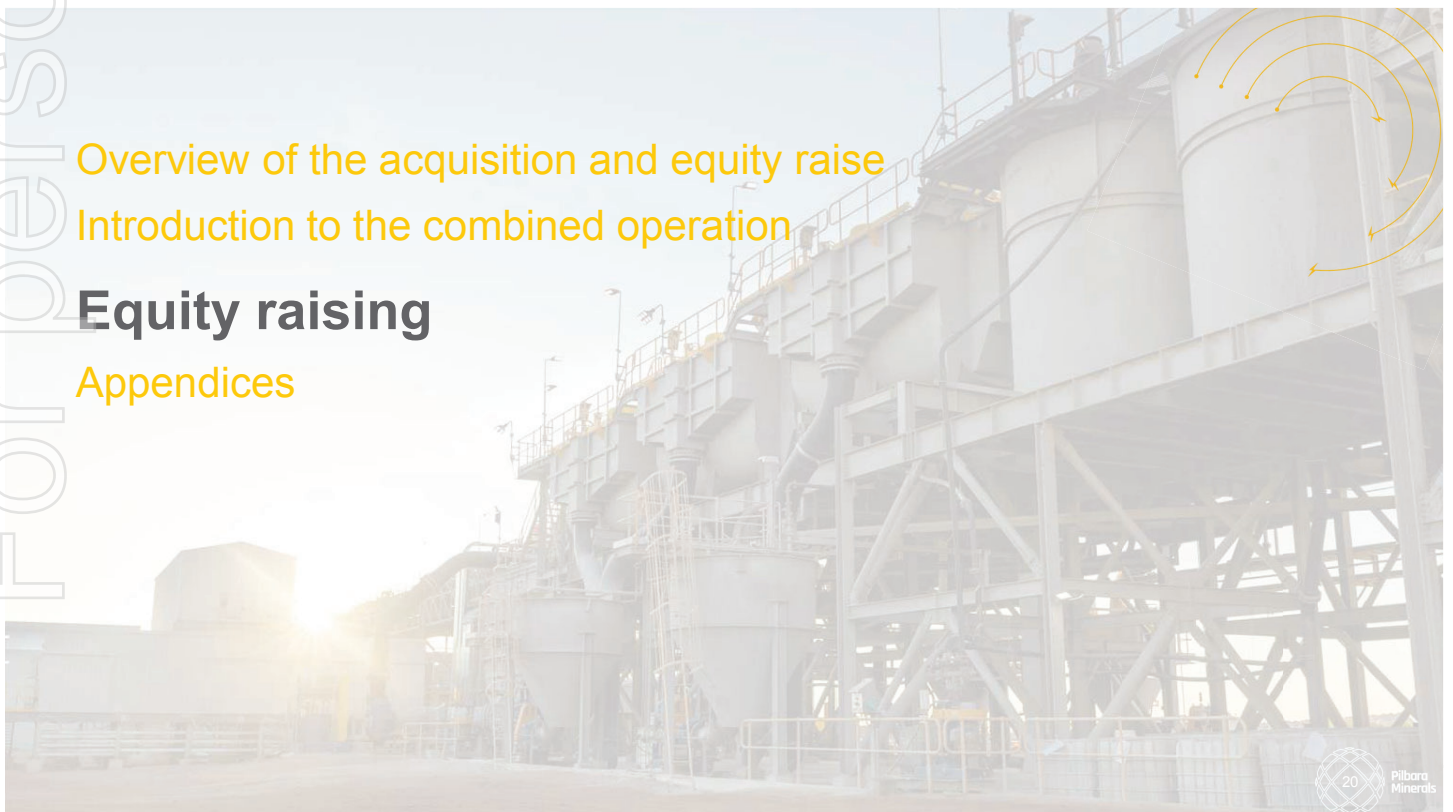
- Existing Stage 1 customers - current and future product demands
- Offtakes secured with premier customer base to support Stage 2 expansion (800-850ktpa), conditional on a FID being made by Pilbara Minerals: Great Wall Motor Company (75ktpa SC, increasing to 150ktpa upon parties agreeing to a US\$25 million prepayment to support Stage 2 development), POSCO (80ktpa SC increasing to 315ktpa upon JV formation and POSCO providing US\$25 million prepayment facility to support Stage 2 development); Ganfeng Lithium (150ktpa)
- Additional product from Altura Project presents further opportunities, including new offtake agreements, additional downstream participation, and alternate/diversified market participation, including Europe and the US



Overview of the acquisition and equity raise  
Introduction to the combined operation

## Equity raising

### Appendices



# Equity raising overview

Placement and Entitlement Offer to raise ~A\$240 million at A\$0.36 per share

<b>Committed equity funding</b>	<ul style="list-style-type: none"> <li>AustralianSuper and RCF VII have entered into binding Share Subscription and Sub-underwriting Agreements that represent the full equity raising amount of A\$240 million with limited termination events</li> </ul>
<b>Equity Raising structure</b>	<ul style="list-style-type: none"> <li>A\$240 million Equity Raising comprises: <ul style="list-style-type: none"> <li>~A\$119 million Placement to AustralianSuper and RCF VII: AustralianSuper allotted ~160 million shares and RCF VII allocated ~171 million ordinary shares which has completed today and who are eligible to participate in the Entitlement Offer; and</li> <li>~A\$121 million 1 for 7.6 fully underwritten Entitlement Offer launching today which will result in the issue of approximately 337 million shares</li> </ul> </li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>The Entitlement Offer is being offered at a fixed price of A\$0.36 per New Share</li> <li>AustralianSuper and RCF VII have committed to sub-underwrite the Entitlement Offer at the same price as the Placement, being A\$0.36 per New Share</li> <li>The offer price of A\$0.36 represented a 7.7% discount to Pilbara Minerals' last traded price on 27 October 2020 of A\$0.39 per share (being the date on which the Implementation Deed was signed)</li> </ul>
<b>Key dates</b>	<ul style="list-style-type: none"> <li>11 December 2020: Signing of the Pilbara Minerals sponsored DOCA</li> <li>14 December 2020: Allotment of shares issued under the Placement</li> <li>14 December 2020: Institutional Entitlement Offer opens</li> <li>16 December 2020: Record date for Retail Entitlement Offer</li> <li>18 December 2020: Retail Entitlement Offer opens</li> <li>23 December 2020: Allotment and trading of share under the Institutional Entitlement Offer</li> <li>11 January 2020: Retail Entitlement Offer closes</li> <li>18 January 2020: Allotment and trading of shares issued under the Retail Entitlement Offer</li> <li>Late January 2020: Completion under the Share Sale Agreement</li> <li>Refer to page 24 for further detail</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New shares issued under the Equity Raising will rank equally with existing fully paid Pilbara Minerals shares on issue</li> </ul>
<b>Advisers</b>	<ul style="list-style-type: none"> <li>Macquarie Capital (Australia) Limited is acting as Sole Lead Manager, Underwriter, Bookrunner and Financial Adviser to Pilbara Minerals</li> <li>Allen &amp; Overy are acting as Legal Adviser to Pilbara Minerals</li> </ul>



## Sources and uses

Acquisition to be funded via the Equity Raising

Sources of Funds	A\$ million	Uses of Funds	A\$ million
Placement	119	Purchase consideration <sup>1</sup>	208
Entitlement Offer	121	Transaction costs <sup>2</sup>	28
		Cash	4
<b>Total Sources</b>	<b>240</b>	<b>Total Uses</b>	<b>240</b>

1. Upfront Cash Consideration only (i.e. excludes Deferred Consideration). Refer to slide 28 for further details about the Deferred Consideration.

2. Transaction costs include DOCA funding of A\$6 million, WA Stamp Duty and adviser fees. Excludes the A\$7 million receiver loan facility. Transaction costs are estimates only.





# Pro-forma capital structure

Pilbara Minerals to retain robust balance sheet position post acquisition

Pro-forma metrics	Units	Pilbara Minerals standalone	Acquisition adjustment <sup>3</sup>	Pro-forma Pilbara Minerals
Cash	A\$ million	92 <sup>1</sup>	4	96
Borrowings <sup>2</sup>	A\$ million	149	-	149
<b>Net debt (Cash)</b>	<b>A\$ million</b>	<b>56</b>	<b>(4)</b>	<b>52</b>
Shares outstanding <sup>4</sup>	# million	2,228	667	2,895
Share price / offer price / theoretical ex-rights price ("TERP") <sup>5</sup>	A\$/share	0.86	0.36	0.74
<b>Enterprise value<sup>6</sup></b>	<b>A\$ million</b>	<b>1,972</b>	<b>236</b>	<b>2,209</b>

Note: Based on Pilbara Minerals' audited financial statements at 30 June 2020 and adjusted for the impact of the subsequent BNP Paribas / CEFC refinancing as released on the ASX on 30 July 2020.

1. Actual cash at 30 June 2020 of A\$86 million adjusted for net refinancing adjustments (+A\$6 million).

2. Actual borrowings at 30 June 2020 of A\$176 million and net refinancing adjustments of A\$15 million less lease liability costs of A\$42 million.

3. Acquisition adjustments include proceeds to be received from the Equity Raising, the acquisition of Altura Project based on Cash Consideration and netted against transaction fees; excludes Deferred Consideration. Refer to Slide 28 for further information about the Deferred Consideration.

4. Pilbara Minerals shares on issue at 9 December 2020. Excludes ordinary shares to be issued under the Deferred Consideration.

5. Share price is closing price of Pilbara Minerals' securities on the ASX on 9 December 2020. Offer price is the issue price under the Equity Raising. TERP is the theoretical price at which Pilbara Minerals shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Pilbara Minerals' shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP also includes new shares to be issued under the placement.

6. Enterprise value reflects market capitalisation plus net debt / (cash).



## Equity Raising timetable

Event	Date <sup>1,2</sup>
Equity raise launch and Placement opens	11 December 2020
Allotment of shares issued under the Placement	14 December 2020
Trading Halt (pre-market open)	14 December 2020
Institutional Entitlement Offer opens	14 December 2020
Announcement of the results of the Institutional Entitlement Offer	16 December 2020
Trading resumes on an ex-entitlements basis	16 December 2020
Record date for Retail Entitlement Offer	19.00, 16 December 2020
Retail Entitlement Offer opens	18 December 2020
Settlement of securities under the Institutional Entitlement Offer	22 December 2020
Allotment and trading of shares issued under the Institutional Entitlement Offer	23 December 2020
Retail Entitlement Offer closes	11 January 2021
Retail shortfall notification date and announcement of results of Retail Entitlement Offer	14 January 2021
Settlement of shares issued under the Retail Entitlement Offer	15 January 2021
Allotment and trading of shares issued under the Retail Entitlement Offer	18 January 2021
Completion of the acquisition of Altura Lithium Operations under the Share Sale Agreement	Late January 2021

1. Dates are indicative only and are subject to change. Pilbara Minerals and the Sole Lead Manager reserve the right to alter the timetable at their discretion and without notice, subject to ASX Listing Rules.

2. All dates and times refer to Australian Eastern Daylight Time.





## Summary and next steps

- ✓ **Highly strategic acquisition** of neighbouring project to unlock tangible synergies
- ✓ The combined operations will be one of the select few operating spodumene projects globally which are **100% owned by a single owner**
- ✓ **Production scale and existing capacity** means Pilbara Minerals can respond quickly to any improvement in demand and price conditions
- ✓ The acquisition from receivership enables Pilbara Minerals to **acquire the Altura Project as a “clean slate”, providing maximum flexibility** to optimally integrate the operations
- ✓ The acquisition is being funded via a **A\$240 million equity raising**
- ✓ **Pilbara Minerals has committed acquisition funding** through AustralianSuper and RCF VII providing binding equity commitments to subscribe to the placement (now complete) and sub-underwrite the entitlement offer
- ✓ Pilbara Minerals **anticipates to complete the acquisition of the Altura Project in late January**, subject to the conditions precedent



Overview of the acquisition and equity raise

Introduction to the combined operation

Equity raising

## Appendices

A. Summary of key agreements

B. Investment risks

C. Foreign selling restrictions



# Summary of Subscription Agreements

	RCF Subscription Agreement	AustralianSuper Subscription Agreement
<b>Subscription Shares</b>	Approximately A\$61.4 million 170.5 million shares	Approximately A\$57.5 million 159.7 million shares
<b>Subscription Price</b>	A\$0.36 per Share	A\$0.36 per Share
<b>Conditions Precedent</b>	<ul style="list-style-type: none"> <li>FIRB approval – conditional on RCF being able to rely on FIRB exemption certificate that it already holds (now satisfied)</li> <li>Altura Project Acquisition – Pilbara Minerals securing a binding agreement for the acquisition of Altura Project (now received)</li> </ul>	Altura Project Acquisition – Pilbara Minerals securing a binding agreement for the acquisition of Altura Project (now received)
<b>Completion timing</b>	Entry into the sale agreement in respect of the Altura Project and all conditions precedent to the sale of the Altura Project being satisfied or waived, other than the condition precedent in respect of the proposed capital raising	
<b>Rights Issue undertaking</b>	The Subscriber undertakes to subscribe for its entitlement under the proposed Entitlement Offer	
<b>Sub-underwriting undertaking</b>	The Subscriber undertakes to subscribe for up to ~A\$30 million of shortfall shares in the Entitlement Offer	The Subscriber undertakes to subscribe for up to ~A\$75 million shortfall shares in the Entitlement Offer
<b>Entitlement under the Placement</b>	RCF and AustralianSuper undertake to subscribe for their entitlements under the proposed Entitlement Offer in respect of the shares they receive in the Placement which will provide the balance of the A\$240 million raising	
<b>Board Rights</b>	Following Completion and provided the Subscriber holds at least 6.5%, the Subscriber may from time to time nominate one person for appointment to the Board of Pilbara Minerals as a non-executive director	Following Completion and provided the Subscriber holds at least 15%, the Subscriber may from time to time nominate one person for appointment to the Board of Pilbara Minerals as a non-executive director
<b>Information and access rights</b>	The Subscriber shall be entitled to receive copies of the monthly and quarterly operating reports and financial information (subject to information protocols) The Subscriber will be entitled to up to 2 site visits a year	The Subscriber will be entitled to up to 2 site visits a year
<b>Equity participation right and standstill</b>	Subscriber subject to a standstill on acquiring additional shares for 18 months subject to common exceptions  Subscriber to be given a reasonable opportunity to participate in any equity offer	N/A
<b>Warranties</b>	Customary representations and warranties for the transactions contemplated	



# Summary of the Share Sale Agreement

Share Sale Agreement	
<b>Overview</b>	Pilbara Minerals entered into a Share Sale Agreement ("SSA") with Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) for the acquisition of all of the shares in Altura Lithium Operation Pty Ltd (ALO) on 30 November 2020. ALO is the owner of the Altura Project.
<b>Purchase Price</b>	<p>Purchase price equivalent to US\$175 million, comprising:</p> <ul style="list-style-type: none"> <li>a cash component of US\$155 million, payable on completion of the SSA; and</li> <li>deferred consideration of approximately US\$20 million, being approximately 69 million new shares in Pilbara Minerals (at a deemed issue price of A\$0.4072) payable up to 12 months after completion of the SSA ("Maturity Date").</li> </ul> <p>Subject to adjustments to the deferred consideration amount, the purchase price is not subject to any post completion adjustments.</p>
<b>Deferred Consideration</b>	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 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 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.
<b>Conditions Precedent</b>	<p>The sale is conditional upon:</p> <ul style="list-style-type: none"> <li>Pilbara Minerals completing the Offer to raise in aggregate a total of at least A\$240 million; and</li> <li>the approval and effectuation of the Deed of Company Arrangement in respect of Altura Lithium Operations Pty Ltd.</li> </ul>
<b>Completion</b>	Completion will occur 2 Business Days after the satisfaction or waiver of all of the conditions precedent or any other date agreed in writing between Altura and Pilbara Minerals.
<b>Pre-completion conduct</b>	Altura agrees to hold and administer the ALO shares and will not sell, lease, dispose or part with possession of the shares or assets and rights relating to the Altura Project and use all reasonable endeavours to ensure that the shares and assets and rights relating to the Altura Project are available for transfer to Pilbara Minerals at completion, subject to permitted exceptions.
<b>Termination</b>	Either party may terminate the SSA if a condition precedent is not satisfied or waived by 29 January 2021 or if the other party fails to cure a default within 5 Business Days of a notice requiring that Party to complete.
<b>Other material terms</b>	A break fee amounting to 2% of the purchase price is payable if a party terminates the SSA as a result of a breach by the other party of its obligations under the SSA. Typical warranties and indemnities from the parties for a transaction of this type. Provisions relating to confidentiality, dispute resolution and protection of the receivers and managers of Altura Mining Limited.



# Summary of the DOCA

Deed of Company Arrangement	
<b>Overview</b>	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.
<b>Key features of the DOCA</b>	<p>The following are key terms of the DOCA:</p> <ul style="list-style-type: none"> <li>the Deed Administrators will remove the existing ALO directors and appoint new directors nominated by Pilbara Minerals;</li> <li>upon effectuation of the DOCA, control of ALO will be provided to the newly appointed directors;</li> <li>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 <b>Deed Fund</b>) 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;</li> <li>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;</li> <li>no other property of ALO will be available to pay creditors;</li> <li>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);</li> <li>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;</li> <li>entitlements of ALO employees are expected to be paid in full;</li> <li>upon creation of the creditors' trust, unless otherwise agreed, all claims against ALO including in respect of pre-administration contracts will be released; and</li> <li>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.</li> </ul>
<b>Conditions Precedent</b>	<p>The effectuation of the DOCA is conditional upon:</p> <ul style="list-style-type: none"> <li>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</li> <li>completion of the Equity Raising.</li> </ul>
<b>Completion</b>	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.
<b>Termination</b>	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.

# Summary of the Creditors' Trust Deed

Creditors' Trust Deed	
<b>Overview</b>	The DOCA requires that a creditors' trust be formed as a mechanism to accelerate ALO's exit from the Administration process and result in the control of ALO returning to the newly appointed directors immediately upon effectuation of the DOCA. The Creditors' Trust enables the payment of creditors claims in accordance with the terms of the Creditors' Trust Deed.
<b>Trustee Powers and Creditor Oversight</b>	<p>The Trustees of the Creditors' Trust become solely responsible to the former creditors of ALO (now beneficiaries under the Creditors' Trust Deed) for:</p> <ul style="list-style-type: none"> <li>Ensuring ALO performs its payment and other obligations to the Trustees;</li> <li>Determining the amounts to be distributed to each beneficiary;</li> <li>Make those distributions to beneficiaries from time to time;</li> <li>Administer the trust property (being the balance of the DOCA Deed Fund);</li> <li>To compromise any debt or claim on such terms as the Trustee sees fit; and</li> <li>To do anything else that is necessary or convenient for administering the Creditors Trust.</li> </ul>
<b>Key features of the Creditors' Trust Deed</b>	<p>The following are key terms of the Creditors' Trust Deed:</p> <ul style="list-style-type: none"> <li>The funds available for distribution to creditors of ALO comprises the proceeds contributed from the receivership process (if any) and the balance of the Deed Fund contributed by Pilbara Minerals under the DOCA, forming the Trust Fund;</li> <li>The priority of payment of the Trust Fund is: <ul style="list-style-type: none"> <li>First – to employees of ALO who are owed outstanding employee entitlements;</li> <li>Second – to the Administrators', Deed Administrators' and Trustees' remuneration (capped at A\$200K plus GST for the Trustees') and expenses;</li> <li>Third – to unsecured creditors with an admitted claim of A\$25,000 or less (of up to 50 cents in the dollar from a A\$500,000 portion of the Trust Fund);</li> <li>Fourth – to unsecured creditors with an admitted claim greater than A\$25,000; and</li> <li>Related body corporate creditors will also receive a dividend on a pro-rata basis capped at a maximum of A\$100,000 from a separate pool;</li> </ul> </li> <li>The Trustees of the Creditors' Trust (being the same persons as the Deed Administrators) will determine and admit claims to proof in accordance with the terms of the Creditors' Trust Deed;</li> <li>The Trustees have full and unrestricted access to the records of ALO in order to determine claims of creditors and adjudicate them; and</li> <li>Creditors' claims to proof in the Creditors' Trust are admissible if they arose on or before the date of appointment of the Administrators to ALO (being 26 October 2020).</li> </ul>
<b>Estimated return under the Creditors' Trust Deed</b>	The Administrators have estimated that the returns to creditors under the Creditors' Trust Deed are greater than the returns to creditors were ALO to be wound-up and liquidated.
<b>Termination</b>	The Creditors' Trust Deed will terminate when the Trustees have distributed all the trust property in accordance with its terms.



# Summary of the Underwriting Agreement

Underwriting Agreement	
<b>Overview</b>	Pilbara Minerals entered into an underwriting agreement with Macquarie Capital (Australia) Limited (" <b>Underwriter</b> ") in respect of the Entitlement Offer on 14 December 2020 (" <b>Underwriting Agreement</b> ") pursuant to which the Underwriter has agreed to act as bookrunner, lead manager and underwriter of the Offer. The underwriting agreement is sub-underwritten by Australian Super and RCF VII (" <b>Sub-Underwriters</b> ").
<b>Underwritten Amount</b>	Approximately A\$121 million.
<b>Fees</b>	For details of the fees payable to the Underwriter see the Appendix 3B released to ASX on 14 December 2020. If the Underwriting Agreement is terminated by the Underwriter, Pilbara Minerals will not be obliged to pay the Underwriter any fees, costs, charges or expenses which as at termination are not yet accrued.
<b>Underwriters Obligations</b>	<p>The Underwriter's obligations under the Underwriting Agreement, including to underwrite and manage the Entitlement Offer, are conditional on certain matters, including:</p> <ul style="list-style-type: none"> <li>• Completion and receipt of the management due diligence questionnaire;</li> <li>• the Underwriter's receipt of the signed due diligence report by 8:00am on the Announcement Date;</li> <li>• the relevant offer materials being released to ASX when required under the timetable for the Entitlement Offer;</li> <li>• the agreement for the acquisition of the Altura Lithium Project having been validly executed and not having been breached, terminated (or become capable of being terminated by a party), rescinded or varied in a material respect without the prior written consent of the Underwriter; and</li> <li>• each of the Sub-Underwriters entering into a binding Sub Underwriting Agreement with the Underwriter, on terms substantially the same as the Sub-Underwriting Agreements annexed to the Share Subscription Agreements, on or prior to 8:00am on the Announcement Date.</li> </ul> <p>If certain conditions are not satisfied, or certain events occur, some of which are beyond the control of Pilbara Minerals, the Underwriter may terminate its obligations under the Underwriting Agreement. Termination of the Underwriting Agreement may have an adverse impact on the ability of Pilbara Minerals to proceed with the Entitlement Offer and the quantum of funds raised as part of the Entitlement Offer. If the Underwriting Agreement is terminated by the Underwriter there is no guarantee that the Entitlement Offer will continue in its current form or at all. Failure to raise sufficient funds under the Entitlement Offer (as a result of it not proceeding or otherwise) would mean the conditions precedent under the Share Sale Agreement would not be satisfied and would affect Pilbara Minerals' ability to pay for the Transaction. In these circumstances the Transaction would not likely proceed and further it may materially adversely affect Pilbara Minerals' business, cash flow, financial performance, financial condition and share price.</p>

# Summary of the Underwriting Agreement

Underwriting Agreement	
<b>Termination Events</b>	<p>The events which may trigger termination of the Underwriting Agreement include the following:</p> <ul style="list-style-type: none"> <li>• <b>breach of sub-underwriting agreement</b> – any Sub-Underwriting Agreement becomes void or voidable, or has been amended or breached materially, terminated or rescinded or circumstances exist or have arisen which would entitle a party to terminate that agreement or result in a condition precedent to an obligation under that agreement being, in the reasonable opinion of the Underwriter, incapable of being satisfied;</li> <li>• <b>unable to proceed</b> – the Company is unable or is unlikely to be able to issue the Institutional Offer Shares on the Institutional Settlement Date or the Company is unable or is unlikely to be able to issue the Retail Offer Shares on the Retail Settlement Date;</li> <li>• <b>change to the company</b> – the Company alters its capital structure or varies any term of its constitution without prior written consent of the Underwriter;</li> <li>• <b>withdrawal or new circumstance</b> – Company withdraws any part of the Offer or is required to give ASX a notice in accordance with section 708AA(12) of the Corporations Act;</li> <li>• <b>Timetable</b> – any event specified in the Offer timetable is delayed for more than 5 Business Days without the prior written approval of the Underwriter; and</li> <li>• <b>regulatory action</b> – any regulatory body commences any public action against an officer of the Company; ASIC issues or threatens to issue proceedings in relation to the Offer; the Company ceases to be listed on the ASX.</li> </ul> <p>In addition, under the Underwriting Agreement, some termination events will depend on whether the Underwriter has reasonable grounds to believe that the relevant event has or could be reasonably expected to have a material adverse effect on the success, settlement or marketing of the Offer, or will or is likely to give rise to a liability for the Underwriter under, or lead the Underwriter to a contravention of, any law These include:</p> <ul style="list-style-type: none"> <li>• <b>breach</b> – the Company is in breach of this agreement or any of the representations or warranties by the Company in this agreement is not true or correct when made or taken to be made;</li> <li>• <b>adverse change</b> – the Company or Underwriter becomes aware of any existing circumstances or a change which could have an adverse effect on the Company;</li> <li>• <b>change in management</b>;</li> <li>• <b>Debt Facility</b> – any debt facility is withdrawn, reviewed or challenged; and</li> <li>• <b>hostilities, changes in law, moratoriums</b> – if hostilities not presently existing arise in certain jurisdictions; if a new law is introduced in Australia which is likely to prohibit the Offer; if there is any adverse change or disruption to the political conditions or financial markets of Australia.</li> </ul> <p>If the Underwriting Agreement is terminated by the Underwriter, the Underwriter is not obliged to perform its obligations that remain to be performed under the Underwriting Agreement.</p>
<b>Representations and warranties</b>	Pilbara Minerals gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates, subject to certain carve out.
<b>Shortfall</b>	Pilbara Minerals reserves the right to issue any shortfall under the Entitlement Offers at its discretion. Any shortfall from the Entitlement Offer will, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or Sub-Underwriters or to third party investors as agreed by the Underwriter and Pilbara Minerals. The basis of allocation of any other shortfall will be determined by Pilbara Minerals at its discretion, taking into account whether investors are existing shareholders, on Pilbara Minerals' register and any potential control impacts.

Overview of the acquisition and equity raise

Introduction to the combined operation

Equity raising

## Appendices

A. Summary of key agreements

B. Investment risks

C. Foreign selling restrictions

## Investment risks

### **Nameplate Capacity of Pilgangoora 2Mtpa, Stage 1 Project**

- The development of Stage 1 of the Pilgangoora Project has progressed well with commercial production declared on 1 April 2019. The Company is now completing the final stages of the optimisation of the processing plant to enable nameplate capacity, inclusive of throughput and recoveries. While the Company has implemented a number of rectifications and improvement projects to optimise recoveries by enhancing iron removal and lithia recovery, there can be no guarantee that nameplate capacity and recovery will ultimately be fully achieved, or in the timeframes contemplated. There is also a risk that where spodumene concentrate production is less than the nameplate capacity of 330ktpa, unit operating costs may increase and/or there may be insufficient total production to satisfy existing customer offtake commitments. Recent lithia recoveries when operating the plant under a moderated production strategy have achieved lithia recoveries in line with plant design specifications (72% to 78% lithia recovery, dependent on the ore blend being delivered to the plant), albeit at a throughput level that was below the design capacity of 2Mtpa of ore feed.
- As with all processing operations, from time to time the Company may also experience practical and technical challenges with its processing plant. Any outage or shutdown due to technical problems or otherwise could increase unit operating costs, impact revenue and/or effect the saleability of product.

### **Proposed expansion of Pilgangoora Project, Stage 2**

- If the Company proceeds with the proposed incremental Stage 2 expansion of the Pilgangoora Project to 5Mtpa, the costs may be significantly higher than estimated and the timeframes longer than anticipated for a variety of reasons outside the control of Pilbara Minerals, including delays in obtaining funding, tenure and land use, access to infrastructure and port facilities, procurement and delivery, mining activity, environmental or planning approvals or in construction of necessary mine and processing plant infrastructure. There is a risk that key milestone dates will not be met thereby delaying production and resulting in revenue being received at a later date than anticipated or not at all.
- There is also a risk that market conditions and customer demand for future sales may not support the continued expansion of the Pilgangoora Project. No assurance can be given that future sales and market conditions will support such expansions. The Company will only proceed with the proposed incremental Stage 2 expansion if it is supported by market conditions customer demand and sales.

### **Lithium and tantalum market**

- The Pilgangoora Project currently produces and sells spodumene concentrate and tantalite concentrate.
- Demand for, and pricing of, spodumene concentrate, tantalite concentrate and lithium product pricing in general is sensitive to a variety of external factors, most of which are beyond Pilbara Minerals' control. In particular, the supply and demand of spodumene concentrate is changing rapidly in response to the growth in manufacturing of electric vehicles. There is a risk that the growth in electric vehicle production does not proceed at a sufficient rate to support future growth in spodumene concentrate supply. As a result, there is a risk that the long-term spodumene concentrate price could settle at a point that could materially affect Pilbara Minerals' financial performance and its ability to comply with its obligations under any debt funding arrangements.
- Declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project or expansion. Such reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations or proposed expansions until the reassessment can be completed. Spodumene concentrate is not a commodity for which hedging or derivative transactions can be used to manage commodity price risk.
- Similar risks and considerations described in this paragraph relate to the market for tantalum and therefore apply to Pilbara Minerals' production and sale of tantalum. Similar risks also apply to lithium products in general, including lithium carbonate and lithium hydroxide, noting Pilbara Minerals does not currently produce either product, albeit is exposed to price fluctuations in these products given they are derived from spodumene concentrate and also noting Pilbara Minerals may produce lithium hydroxide in the future via the proposed POSCO joint venture should that joint venture proceed.

# Investment risks

## Future capital needs and additional funding

- The Company plans to meet its funding requirements for the incremental Stage 2 expansion and the Company's funding obligations under the proposed POSCO downstream joint venture in South Korea by a combination of sources including existing cash reserves, cashflow from Stage 1 operations, subscription proceeds from POSCO under a A\$79.6 million convertible bond, prepayments expected to be linked to Stage 2 offtake ranging from US\$25 million to US\$50 million from POSCO and/or Great Wall Motors (subject to binding commitments being in place with those parties and the approval of senior secured lenders) and, if necessary, the existing US\$15 million BNP working capital facility for the Pilgangoora Project which is yet to be drawn down. Additional funding will also likely be required for the incremental Stage 2 expansion and the Company's funding obligations under the proposed POSCO downstream joint venture in South Korea.
- The availability and terms of financing for development stage mining assets is inherently uncertain, particularly in a commodity such as lithium with rapidly and materially changing supply and demand dynamics. There can therefore be no assurance that financing for additional funding will be available, or that, if available, the terms of such financing will be favourable to Pilbara Minerals and its subsidiaries. Any debt financing may also require the consent of any secured debt financier existing at the relevant time. If Pilbara Minerals obtains debt financing, it will be exposed to the risk of leverage and its activities could become subject to restrictive loan covenants and undertakings. If Pilbara Minerals obtains equity financing, existing Shareholders may suffer dilution.

## Reliance on Chinese market

- The Chinese market is a significant source of global demand for lithium minerals and chemicals across the spectrum of the global lithium supply chain. The Company's exposure to China's economic position and economic policies is significant. If economic growth in China slows it could result in lower prices and demand of the Company's products thereby reducing projected revenues and earnings.

## Geopolitical risk

- Geopolitical risk can affect Pilbara Minerals through various channels, including commodity prices, capital flows, macroeconomics indicators and general confidence and sentiment, among others.
- In particular, Pilbara Minerals operations could also be exposed to geopolitical risks between Australia and China which have become more prevalent in recent times including China imposing import restrictions on Australian commodities. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

## Offtake risk

- The offtake agreements for the Stage 2 expansion are conditional on fulfilment of conditions precedent being satisfied or waived by certain cut-off dates, including necessary approvals for Stage 2 and the Company securing funding and making a final investment decision for Stage 2. To date the parties to these Stage 2 offtake agreements have agreed to extend the cut-off dates in anticipation that market conditions will improve. The Company expects the parties to continue to extend these cut-off dates although there can be no assurance they will be extended.
- The Company's operations and revenues are also dependent on the counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Company's profitability could be adversely affected. The risk of non-performance or attempted renegotiation of terms by the Company's offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impacting the global market for lithium products. The Company has sought to mitigate offtake counterparty risk by diversifying its customers across industries in the lithium supply chain and across both China and South Korea.
- Due to challenging market conditions and delays in bringing chemical conversion capacity online, the Company's Stage 1 offtake customers have historically taken annual tonnages less than their expected offtake commitments. While reserving its position under its offtake agreements, in light of challenging market conditions, the Company has chosen historically to work with its existing Stage 1 offtake customers as long term partners to manage their ongoing compliance with the offtake agreements by agreeing reduced delivery schedules for CY2020, as well as diversifying its sales with new customers. Once market conditions improve the Company similarly expects that performance under the offtake agreements will also improve. However, if one or more customers default under agreed delivery schedules and/or one of more offtake agreements are otherwise terminated, there can be no assurance that the Company will find a new counterparty willing to enter into a replacement offtake agreement with similar pricing, quantity or terms. In such circumstances, the Company would most likely reallocate tonnage from those Stage 1 customers to Stage 2 customers and modify its incremental Stage 2 expansion program.



# Investment risks

- Furthermore, the Company's customer offtake agreements require a minimum product specification for product grade and maximum impurity levels. If the Company is not able to achieve the required product specification to satisfy the customer offtake agreements, there is no guarantee the Company will be able to sell its product. There is also no certainty or assurance that the Company will be able to continuously meet product specifications particularly on account of the inherent risks associated with the extraction and processing of ore.

## Syndicated Facility Agreement

- The Company may wish to enter into debt funding arrangements to re-finance or amend the senior secured US\$110 million Syndicated Facility Agreement provided by BNP Paribas and Clean Energy Finance Corporation to fund any expansions, including the proposed incremental Stage 2 expansion and the downstream joint venture in South Korea with POSCO. The Company and Pilgangoora Operations Pty Ltd (POPL), a wholly-owned subsidiary of the Company, as owner of the Pilgangoora Project, may be required to make scheduled payments of principal and interest and meet its other obligations under the debt funding arrangements in place at any given time. The ability of the Company and POPL to meet these obligations will depend on the future financial performance of the Company and POPL, which may be affected by a range of economic, competitive, governmental, operating and other business factors outside the control of the Company or POPL, including the risk factors discussed herein. This could lead to enforcement of security interests held by the debt financier/s over the assets of the Company and POPL, including the Pilgangoora Project.

## Stage 2 expansion studies

- Pilbara Minerals has completed a definitive feasibility study in respect of the original Stage 2, 5Mtpa expansion of the Pilgangoora Project and is currently undertaking further technical studies in respect of a revised Stage 2 expansion which would incrementally expand production to 5Mtpa in three separate phases. Pilbara Minerals will likely need to undertake further detailed studies regarding the revised Stage 2 incremental expansion before making any decision to pursue this approach for the Stage 2 expansion. There can be no certainty or assurances that the studies will confirm the technical and economic viability of the revised Stage 2 incremental expansion or confirm the results of the definitive feasibility study previously undertaken by Pilbara Minerals for the original Stage 2 expansion.
- If Pilbara Minerals resolves to undertake the revised incremental Stage 2 expansion, Pilbara Minerals will need to restructure its existing Stage 2 offtake and prepayment arrangements for the Stage 2 project to ensure the delivery requirements of its offtake customers will be met through the proposed phased delivery of an incremental increase in the rate of production. While the Company believes its existing offtake customers are supportive of the revised Stage 2 delivery given construction delays and timing for ramp-up of their owned conversion facilities, there can be no certainty or assurances Pilbara Minerals will be able to agree either revised prepayment terms and/or revised delivery schedules with its existing Stage 2 offtake customers. A failure to reach agreement in respect of any necessary amendments to an offtake agreement or a prepayment facility may result in the termination of those arrangements. Prepayment agreements are also subject to "sunset" dates relating to the satisfaction of certain condition precedent (e.g. Final Investment Decision for Stage 2). Parties will need to agree to extend or renew these sunset dates to allow for the delay in the delivery of the Stage 2 expansion. There is no assurance or guarantee that the Stage 2 offtake customers will agree to such extensions or renewals. If the Stage 2 offtake customers do not agree to any requested extension, then the Company will not have access to the offtake prepayment funding and may need to find alternative sources of funding.

## Production, capital and operating costs

- The value of Pilbara Minerals today, and the future financial performance and position of Pilbara Minerals, is dependent on estimates of future production and capital and operating costs. Pilbara Minerals' main operating expenses are expected to be contractor costs, materials and reagents, personnel costs and energy costs. Pilbara Minerals' main capital costs will be development capital expenditure for the Pilgangoora Project and for any future expansions contemplated including the Stage 2 expansion. Pilbara Minerals expects that certain costs may be incurred in foreign currencies.
- Changes in the costs of Pilbara Minerals' mining and processing operations as well as its capital and operating costs could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in lithium reserve estimates. Certain materials and reagents that will be required for the processing operations are specialist items and may become difficult to procure and/or the price of these specialist materials and reagents may increase as a result of increased future demand. Many of these factors are beyond Pilbara Minerals' control. In addition, capital cost estimates are based on conceptual engineering designs and certain assumptions around construction approaches and procurement strategies. There may be a material change to the estimates if they are updated to reflect the requirements of any project financiers or the finalisation of construction approaches and procurement strategies. In past mining and resource cycles, operating and capital costs have tended to increase as commodity prices have increased. Therefore, Pilbara Minerals may be faced with higher than currently expected production, capital and operating costs in the future.



# Investment risks

## Changes to Western Australian State Royalties

- As announced to the ASX on 1 December 2020, the Western Australian Government has granted Pilbara Minerals a 50% royalty rebate on spodumene concentrate produced and sold from the Pilgangoora Project for up to 12 months from 1 December 2020. At the conclusion of the 12 month assistance period, or where the average price of spodumene concentrate is equal to or greater than US\$550 per tonne for a given quarter, Pilbara Minerals will be required to repay the rebate in full over a two year period. Further changes to the state royalty regime in Western Australia will have a consequential effect on the Company's financial performance. There is also no guarantee that the same royalty relief will be applicable for the Altura Lithium Project.

## POSCO Joint Venture

- The proposed joint venture with POSCO for a downstream chemical facility is subject to a number of conditions precedent, which are detailed in a binding term sheet with POSCO and the Company's ASX announcement dated 27 August 2019, "Pilbara Minerals Executes Binding Terms Sheet for Lithium Chemicals Downstream Joint Venture with POSCO". Due to soft market conditions, decisions by both parties to proceed with their respective Stage 2 expansion and downstream chemical facility in South Korea have been delayed, meaning some of the applicable deadlines for satisfaction of these conditions precedent will require the parties to agree extensions. There is no certainty or assurances that such agreement will be reached or that each of the conditions precedent will be satisfied or waived by the applicable deadline or in the absence of satisfaction or waiver that the parties will agree an extension to the applicable deadline. In such circumstances the proposed joint venture may not proceed or may be renegotiated when it comes to entering into formal joint venture documentation.
- In addition, the arrangement will be subject to the risks normally associated with the conduct of joint ventures, which in turn could have a material impact on the viability of Pilbara Minerals' interest in the joint venture and on Pilbara Minerals' financial results or condition. Such risks may include, inability to exert influence over certain strategic decisions made in respect of the joint venture or conversion plant; disagreement with POSCO on how to develop or operate the conversion plant or any future variation or expansion to the conversion plant (which may also impact on Pilbara Minerals' ability to raise appropriate finance); inability of participants to meet their obligations to the joint venture or third parties; and, litigation between participants regarding joint venture matters.
- Under the proposed joint venture terms, Pilbara Minerals may appoint one director to the joint venture company's board and may appoint a further director in the event it exercises its option to increase its joint venture interest from 21% to 30%. Day to day decision making of the joint venture is vested with its board of directors and Pilbara Minerals will only obtain the ability to veto certain reserved matters in the event it increases its interest in the joint venture to 30% or more. Pilbara Minerals' joint venture interest may be diluted if it elects to not, or fails to, contribute to additional costs over and above budgeted expenditure associated with the proposed development or a proposed expansion of the conversion plant. If Pilbara Minerals' interest is diluted, Pilbara Minerals may lose one or both of its nominee director positions and therefore its power to contribute to or influence any decision making in respect of the joint venture, including in respect of reserved matters. Further, under the proposed joint venture, if a shareholder is in default (which includes a payment default) which is not remedied, the non-defaulting shareholder may call for a transfer of the defaulting shareholder's joint venture interest or require the defaulting shareholder to acquire the joint venture interest of the non-defaulting shareholder, in each case for a transfer price based on fair market value.

## Estimates of ore reserves and mineral resources

- Pilbara Minerals' ore reserve and mineral resource assessments for its Pilgangoora Project in accordance with the JORC code involve elements of estimation and judgement. The preparation of these estimates, including with regards to quantity and grade, involves application of significant judgement and no assurance of mineral recovery levels or the commercial viability of deposits can be provided. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, ore reserves are valued based on future costs and future prices and, consequently, the value of actual ore reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

## Material contracts

- The ability of Pilbara Minerals to continue the successful development and operation of the Pilgangoora Project will depend on the performance of the counterparties under various agreements it has entered into or may enter into in future, including various offtake arrangements as noted above, as well as operational contracts with contractors such as mining services, power supply, haulage and primary crushing. Future expansions and cost estimates associated with those expansions will depend on the performance of counterparties to the various contracts. If any counterparties do not meet their obligations under the respective agreements, this may impact on Pilbara Minerals' business and financial returns.



# Investment risks

## Exploration and development risks generally

- The Company has identified certain exploration targets. The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a viable profit from production. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal and commodity prices (which fluctuate widely), and government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Pilbara Minerals relies on consultants and others for mineral exploration and exploitation expertise. If the work conducted by those consultants or others is incorrect or inadequate in any material respect, Pilbara Minerals may experience delays or increased costs in developing its properties.

## Licences, Permits and Approval Risks

- Companies engaged in the development and operation of mines and related facilities are subject to increased costs, and delays in operations, production and other schedules as a result of the need to comply with applicable environment and planning laws, regulations and permitting requirements. While the Company has in place the necessary approvals and licences to operate Stage 1 of the Pilgangoora Project, there can be no assurance that approvals and permits required to commence construction, development or operation of future expansions of the Pilgangoora Project such as Stage 2 will be obtained. Additional permits, studies and approvals will need to be obtained or completed prior to commencement of construction and operation of any proposed expansions of the Pilgangoora Project. These may include further environmental impact studies conducted before mining approvals and environmental works approvals and permits can be obtained. There can be no assurance that Pilbara Minerals will be able to obtain or maintain all necessary licences, approvals and permits that may be required to commence development or operation of any expansions proposed for the Pilgangoora Project promptly to avoid delays in operations, production and other schedules or on terms which enable operations to be conducted at economically justifiable costs. No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be amended or applied in a manner which could limit or curtail Pilbara Minerals' activities and the future development or operation of the Pilgangoora Project.

## Reliance on key personnel

- Pilbara Minerals is dependent on a number of key management personnel. Pilbara Minerals' ability to manage its operations and potential development activities will depend in large part on the ability to retain current personnel and attract and retain new personnel with the necessary management and technical expertise. The loss of the services of one or more key management personnel could have a material adverse effect on Pilbara Minerals' ability to manage and expand the business. It may be particularly difficult for Pilbara Minerals to attract and retain suitably qualified and experienced people, given the current high demand for such personnel in the industry and the modest size of Pilbara Minerals, compared with some other industry participants.

## Title to properties

- There can be no assurances that Pilbara Minerals' interest in its mining and exploration properties are free from defects. Pilbara Minerals has investigated its rights and believes that these rights are in good standing. There is no assurance, however, that such rights and title interests will not be revoked or significantly altered to the detriment of Pilbara Minerals. There can be no assurances that Pilbara Minerals' rights and title interests will not be challenged or impugned by third parties. All of the tenements in which Pilbara Minerals has, or may have, an interest in are expected to be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement requires the approval of the relevant government authority. If a tenement is not renewed or granted, Pilbara Minerals may suffer significant loss or damage.





# Investment risks

## Environmental and Safety Regulations

- Exploration for minerals, development of mines and production of metals can impact the environment and environmental damage may occur that is costly to remedy. If Pilbara Minerals is responsible for any environmental damage, Pilbara Minerals may incur substantial rehabilitation costs or liabilities to third parties.
- Pilbara Minerals is involved in operations that are subject to environmental, health and safety regulation (including regular environmental impact assessments and permitting, the safety and health of workers, the protection of air and water quality, waste management, and mine reclamation). These regulations cover a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. These regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulations may change in a manner that requires stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development and operational activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for waste substances for which Pilbara Minerals may become liable as a result of its activities may be difficult to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of Pilbara Minerals.

## Climate Change

- The emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation has the ability to impact Pilbara Minerals and its operations. Pilbara Minerals may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage, among others which may further impact the profitability of the Company. In this respect, it must be noted that the Company's current operation relies heavily on fossil fuels, with its contractor based mining operation, power station, haulage and logistics all using diesel fuel.
- Climate change may cause certain physical and environmental risks that cannot be predicted by Pilbara Minerals, including events such as increased severity of weather patterns and incidence of extreme weather events (eg cyclones and tropical storms) and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Pilbara Minerals operates. In particular, the operational site is in the Pilbara region of Western Australia and may be subject to the longer-term physical impacts of climate change, including but not limited to increased mean daily temperatures, increasing evaporation rates, continuing reductions in annual rainfall and increases in flooding intensity

## Native Title and Aboriginal Heritage

- The effect of present laws in respect of native title that apply in Australia mean that mining tenements (including applications for mining tenements) may be affected by native title claims or procedures, which may prevent or delay the granting of mining tenements or affect the ability of Pilbara Minerals to explore and develop mining tenements. Commonwealth and state legislation will oblige Pilbara Minerals to identify and protect sites of significance to Aboriginal heritage, custom and tradition. Pilbara Minerals' tenements extend over areas in which legitimate common law native title rights of native title claimants exist. The ability of Pilbara Minerals to gain access to its tenements and to conduct exploration, development and mining operations remains subject to any native title rights and the terms of registered native title agreements. Pilbara Minerals may need to negotiate with any native title claimant for access rights to its tenements. In addition, agreement may need to be reached with native title claimants and/or holders in the event of mining on additional tenements. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties. In addition, this may potentially disrupt, delay or hinder (as the case may be) Pilbara Minerals' plans for expansion or further exploration. Additionally, Pilbara Minerals may be liable to pay compensation to the native title holders, the extent of which cannot be quantified at this stage.

## Labour risks

- Pilbara Minerals believes that it, in general, has good relations with its employees and contractors. However, there can be no assurance that the Company's operations or those of its contractors will not be affected by labour related problems in the future, such as disputes for pay raises or increased benefits etc. There are risks associated with staff, no matter where located, acting out of their permitted authority and with contractors not acting in accordance with the Company's policies, which may result in loss of key personnel.



# Investment risks

## Transport and infrastructure

- Pilbara Minerals' operations depend on an uninterrupted flow of materials, supplies, equipment, services and finished products. Pilbara Minerals is dependent on third parties for the provision of trucking, port, shipping and other transportation services. Contractual disputes, port capacity issues, availability of trucks or vessels, weather problems, labour disruptions, COVID-19 related travel restrictions or other factors could have a material adverse effect on Pilbara Minerals' ability to transport (or take delivery of transported) materials according to schedules and contractual commitments and could have a material adverse effect on Pilbara Minerals' business, results of operations and financial performance.

## Insurance

- While Pilbara Minerals obtains insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which Pilbara Minerals cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting Pilbara Minerals' earnings and competitive position in the future and, potentially, its financial position.

## Disputes and litigation

- Common with all enterprises in the minerals and mining sector, the Company is from time to time exposed to potential or threatened litigation, claims and disputes which are with or without merit. Defence and settlement costs can in some cases be substantial even with respect to claims that lack merit.

## Competition

- The mining industry is intensely competitive in all of its phases and Pilbara Minerals will compete with many companies, some of which possess greater financial and technical resources than Pilbara Minerals. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties.

## Foreign exchange risk

- Spodumene prices, tantalum prices and certain capital equipment purchases, operating inputs and services relating to the Pilgangoora Project are denominated in US dollars. In addition, the Company's existing US\$110 million senior secured debt facility and US\$15 million working capital facility (undrawn) is denominated in US dollars. The majority of Pilbara Minerals' expenditure is and will be taken into account in Australian dollars. This exposes Pilbara Minerals to the fluctuations and volatility of the rate of exchange between these currencies as determined by international currency markets.

## COVID-19 risk

- The COVID 19 pandemic continues to stand as a risk to the operations of Pilbara Minerals. To date, Pilbara Minerals has deployed a comprehensive set of control measures to ensure the safety of its personnel and alignment with government directives to support the broader community response to COVID 19. However, it is possible that Pilbara Minerals will be required to implement further measures to manage COVID 19. These measures have the potential to cause disruption and delays to operations and could require a total shut down of operations for a period of time. Any such measures implemented by Pilbara Minerals could increase unit operating costs, impact revenue and/or effect the saleability of product.

## Liquidity risk

- There can be no guarantee that there will always be an active market for Pilbara Minerals' shares or that the price of Pilbara Minerals' shares will increase. There may be relatively few buyers or sellers of shares on the ASX at any given time, and the demand for Pilbara Minerals shares specifically is subject to various factors, many of which are beyond Pilbara Minerals' control. This may affect the stability or volatility of the market price of Pilbara Minerals' shares, and may also affect the prevailing market price at which Pilbara Minerals shareholders are able to sell their Pilbara Minerals shares at any given time. This may result in Pilbara Minerals shareholders receiving a market price for their Pilbara Minerals shares that is less or more than the price paid under the Equity Raising.

## Major shareholder risk

- There is a risk that Pilbara Minerals' substantial shareholders including Contemporary Amperex Technology Co. Ltd., Ganfeng Lithium Co., Ltd and Mineral Resources Ltd. may seek to sell down their shareholdings in Pilbara Minerals. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of Pilbara Minerals' shares.



# Investment risks

## ACQUISITION RISKS

### Completion risk

- Pilbara Minerals has entered into a conditional Share Sale Agreement with Altura Mining Limited (Receiver and Managers Appointed) and the Receivers and Managers for the purchase of 100% of the shares in Altura Lithium Operations Pty Ltd (ALO), a wholly owned subsidiary of Altura Mining Limited and owner of the Altura Lithium Project.
- The Share Sale Agreement is subject to completion of the Capital Raising and effectuation of a Deed of Company Arrangement in respect of Altura Lithium Operations Pty Ltd (ALO).
- Should the Transaction not proceed, for example due to the Deed of Company Arrangement not being effectuated, despite a successful Capital Raising, Pilbara Minerals will need to consider alternative uses for the funds raised which may include the return of a significant portion of the proceeds to shareholders via a capital return, repayment of debt, balance sheet management, working capital, **Stage 2**, 5Mtpa expansion of the Pilgangoora or alternative investment opportunities

### Deed of Company Arrangement

- ALO has entered into a Deed of Company Arrangement which releases and discharges ALO from liability from unsecured "claims" against ALO, the circumstances giving rise to which occurred or arose before the time of its placement into voluntary administration. The releases and discharge will only take effect on effectuation of the DOCA. As with all deeds of company arrangement, there is a small risk that a creditor may dispute that its claim is effectively extinguished by the DOCA.
- Although there is always residual risk that a creditor may seek to terminate or vary the DOCA once executed, Pilbara Minerals is not currently aware of any basis on which a creditor would seek to do so.

### Reliance on information provided

- Pilbara Minerals has relied on information provided or disclosed by Altura Mining Limited to conduct due diligence in relation to the acquisition of the Altura Lithium Project and ALO. The financial information, information on ore reserves and mineral resources and information on the Altura Lithium Project and mining operations relating to the Transaction included in this Presentation has been prepared by Pilbara Minerals (including any underlying assumptions to this information) in reliance on information provided by Altura Mining Limited. If any of the information relied on by Pilbara Minerals proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Altura Lithium Project and consequently Pilbara Minerals may be materially different to the performance and financial position reflected in this Presentation. There is no assurance that the due diligence materials reviewed by Pilbara Minerals on the Altura Lithium Project and Altura Lithium Operations Pty Ltd were accurate or that all material risks and issues in respect of the Transaction have been identified.
- Further, the information reviewed by Pilbara Minerals includes forward looking information, which is inherently unreliable and based on assumptions that may change in the future. Therefore there is a risk that unforeseen issues and risks may arise which may also have a material impact on Pilbara Minerals

# Investment risks

## Funding and underwriting risk

- Pilbara Minerals' obligation to complete the Transaction under the Share Sale Agreement is conditional on raising A\$240m of funding under the Offers and Altura Lithium Operations Pty Ltd effectuating and completing a Deed of Company Arrangement.
- Pilbara Minerals intends to partially fund the Transaction through a recently completed cornerstone placement to RCF VII and AustralianSuper and funds raised under the Entitlement Offer.
- Pilbara Minerals has entered into an underwriting agreement with Macquarie Capital (Australia) Limited pursuant to which the underwriter has agreed to underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement (Underwriting Agreement). In addition, the underwriter has entered into sub-underwriting agreements pursuant to which the sub-underwriters have agreed to partially sub-underwrite the Entitlement Offer (Sub-Underwriting Agreements).
- The underwriter's obligations to underwrite the Entitlement Offer are conditional upon certain customary matters, which are summarised at Appendix A, page 31 and 32.
- The sub-underwriter's obligations to sub-underwrite the Entitlement Offer are conditional upon the same matters.
- Further, if certain events occur, some of which are beyond the control of Pilbara Minerals, the underwriter may terminate the Underwriting Agreement. If the underwriter terminates the Underwriting Agreement, the Sub-Underwriting Agreements are also terminated. Termination of the Underwriting and Sub-Underwriting Agreements would have an adverse impact on the amount of proceeds raised under the Entitlement Offer and could affect Pilbara Minerals' ability to pay the purchase price for the Transaction.
- Termination of the Underwriting Agreement could also materially adversely affect Pilbara Minerals' business, cash flow, financial performance, financial condition and share price. The Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain customary events including material adverse change events. For further information in relation to events entitling the Underwriters to terminate the Underwriting Agreement, please refer to this Presentation (Appendix A, page 32)

## Dilution

- Investors who do not participate in the Entitlement Offer, or do not take up all of their entitlements under the Entitlement Offer, will have their percentage holding in Pilbara Minerals' issued capital diluted. Investors may also have their investment in Pilbara Minerals diluted by future capital raisings by Pilbara Minerals. Pilbara Minerals may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

## Analysis of acquisition opportunity

- Pilbara Minerals has undertaken financial, tax, legal and commercial analysis on the Altura Lithium Project and Altura Lithium Operations Pty Ltd, in order to determine its attractiveness to Pilbara Minerals and whether to acquire it. It is possible that despite such analysis and the best estimate assumptions made by Pilbara Minerals, the conclusions drawn are inaccurate or that synergies and benefits are not realised. Specifically, the Transaction, and proposed development steps following it, carry risk, including potential delays and unforeseen costs, and difficulties in optimising various operations. To the extent that the actual results achieved by the Transaction are different to those indicated by Pilbara Minerals' analysis, there is a risk that the profitability and future earnings of the operations of Pilbara Minerals may be materially different from the profitability and earnings expected.

## Integration risk

- The Transaction contemplates the integration of the Altura Lithium Project with Pilbara Minerals' neighbouring Pilgangoora Project, which has previously operated independently. There is a risk that the integration may be more complex or costly than currently anticipated, encounter unexpected challenges or issues, take longer than expected, divert management attention and not deliver the expected benefits or synergies.
- There is also the risk the Altura Lithium Project remains in its current care and maintenance status for an extended period. The decision by Pilbara Minerals to take the Altura Lithium Project off care and maintenance is subject to further evaluation of the Altura Lithium Project, prevailing market conditions and discussions with potential customers.
- Pilbara Minerals may also be liable for the acts or omissions of the previous owners of the acquired Altura Lithium Project or otherwise exposed to liabilities that were unforeseen or greater than anticipated. These and other factors may result in reductions in the Mineral Resources and Ore Reserves estimates for the acquired project and/or impact upon the value attributable to or derived from the acquired project.

# Investment risks

## Acquisition accounting

- Following completion of the Transaction, Pilbara Minerals will complete a formal fair value assessment of the assets, liabilities and contingent liabilities that represent a present obligation of Altura Lithium Operations Pty Ltd. The assessment is required to be undertaken within a 12 month period after completion of the Transaction. The outcome of this assessment could give rise to potentially materially different values.

## Historical liabilities

- If the Transaction completes, Pilbara Minerals may become directly or indirectly liable for any liabilities that Altura has incurred in the past, which were not extinguished under the DOCA. Such liability may include liabilities for environmental contamination or unpaid taxes or State royalties and would adversely affect the financial performance or position of Pilbara Minerals post-acquisition

## GENERAL RISK FACTORS

- As with any ASX listed entity, the future prospects, operating and financial performance of Pilbara Minerals and the value of Pilbara Minerals shares are affected by a variety of factors, including:
- changes in investor sentiment and overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels and consumer demand;
- economic and political risk factors in Australia and overseas including economic growth;
- changes in legislation and government, fiscal, monetary and regulatory policies including foreign investment and those relating to the mining industry;
- uncertainty around the likelihood, timing, franking or quantum of future dividends;
- failure to make or integrate any future acquisitions or business combinations (including the realisation of synergies), significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities;
- changes in accounting or financial reporting standards;
- changes in taxation laws (or their interpretation); and,
- deterioration in the general economic conditions, the Australian and international stock markets, natural disasters, pandemics and catastrophic events, lower commodity prices, and adverse foreign exchange rate movements.

In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital and operating outlays, adversely affecting Pilbara Minerals' earnings and competitive position in the future and, potentially, its financial position.

## UNKNOWN RISKS

- Additional risks and uncertainties not currently known to Pilbara Minerals may also have a material adverse effect on Pilbara Minerals' financial and operational performance and the information set out in this document regarding the key operational and investment risks does not purport to be, nor should it be construed as representing, an exhaustive list of the risks.

Overview of the acquisition and equity raise

Introduction to the combined operation

Equity raising

## Appendices

A. Summary of key agreements

B. Investment risks

C. Foreign selling restrictions

# Foreign selling restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions, of the Canadian Securities Administrators*.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada. Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

### Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation;
- in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and
- in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

- in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

By purchasing the New Shares hereunder, purchasers in British Columbia not entitled to the statutory rights described above are hereby granted, in consideration of their purchase of securities and upon accepting a purchase confirmation in respect thereof, a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase the securities.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### Notice of Underwriter

The Underwriter is relying on an exemption from the dealer registration requirements of applicable provincial securities laws pursuant to National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations in connection with the offering of the New Shares. The Underwriter is not registered in Canada, and is resident in Australia. Accordingly, there may be difficulty enforcing legal rights against the Underwriter because it is resident outside of Canada, and all or substantially all of its assets may be situated outside of Canada. For the purposes of this offering, prospective investors may contact Underwriter to obtain the name and address of the Underwriter's agent for service of process.



# Foreign selling restrictions

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which, are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Korea

Neither the Company nor any placement agent may make any representation with respect to the eligibility of any recipients of this document to acquire the New Shares offered hereby under the laws of Korea, including but without limitation, the Financial Investment Services and Capital Market Act and its subordinate decrees and the regulations thereunder (collectively, the "FSCMA"), and the Foreign Exchange Transaction Law and its subordinate decrees and regulations thereunder (collectively, the "FETL").

The New Shares have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the FSCMA.

The New Shares may be offered, sold or delivered, directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident (as defined under FETL) of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the FETL.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to retail investors within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.





# Foreign selling restrictions

## Norway

This document has not been, and will not be, registered with or approved by Finanstilsynet (the Financial Supervisory Authority of Norway) and it does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, directly or indirectly, in Norway other than under circumstances that are exempted from the prospectus requirements under the Prospectus Regulation and the Norwegian Securities Trading Act. Any offering of New Shares in Norway is limited to persons who are "qualified investors" as defined in the Prospectus Regulation. Only such persons may receive this document and they may not distribute it or the information contained in it to any other person.

## People's Republic of China

The New Shares may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (the "PRC", excluding Hong Kong, Macau and Taiwan) in contravention of any applicable laws. This document does not constitute an offer to sell or the solicitation of an offer to buy any New Shares in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Company does not represent that this document may be lawfully distributed, or that any New Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any New Shares or distribution of this document in the PRC. Accordingly, the New Shares are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

## Singapore

This document and any other materials relating to the New Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Shares may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares be circulated or distributed, whether directly or indirectly, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing shareholders of record of the Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time ("SFA") or (ii) pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Notification under Section 309B(1)(c) of the SFA – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined the classification of the New Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the New Shares described herein. The New Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland but may be offered to individually approached professional investors as defined in article 4 of the Swiss Financial Services Act ("FinSA") and no application has been or will be made to admit the New Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus compliant with the requirements pursuant to the FinSA for a public offering of the New Shares and neither this document nor any other offering or marketing material relating to the New Shares may be distributed or otherwise made publicly available in, into or from Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the New Shares has been or will be filed with or approved by any Swiss regulatory authority or any review body.

This document is personal to the recipient only and not for general circulation in Switzerland.

## United States

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.



# Foreign selling restrictions

## UAE

### United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser. By receiving this document, the person or entity to whom it has been issued understands, acknowledges and agrees that this document has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the "SCA") or any other authorities in the UAE (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004), nor have the Company or the Lead Manager received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that the Company or the Lead Manager is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. None of the New Shares are intended for circulation or distribution in or into the UAE, other than to persons who are "Qualified Investors" within the meaning of the SCA's Board of Directors Decision No. 37/R.M of 2019 Concerning the Definition of Qualified Investor to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE in accordance with the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock, or otherwise. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

### Dubai International Financial Centre

The New Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "DFSA"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

The DFSA has not approved this document or taken steps to verify the information set out in it, and has no responsibility for it. The New Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Shares offered should conduct their own due diligence on the New Shares, as the case may be. If you do not understand the contents of this document, you should consult an authorised financial adviser.

### Abu Dhabi Global Market

The New Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market ("ADGM") except on the basis that an offer is:

- (a) an "Exempt Offer" in accordance with the Market Rules of the Financial Services Regulatory Authority ("FSRA") of the ADGM; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4 of the FSRA Conduct of Business Rulebook.

The FSRA has not approved this document or taken steps to verify the information set out in it, and has no responsibility for it. The New Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Shares offered should conduct their own due diligence on the New Shares, as the case may be. If you do not understand the contents of this document, you should consult an authorised financial adviser.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (as defined in Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union ("Prospectus Regulation")) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.



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**Pilbara  
Minerals**

...Powering a sustainable energy future

**ASX: PLS**

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## **8. Important information**

### **8.1 Responsibility for Information Booklet**

This Information Booklet (including the ASX Offer Announcements and the enclosed personalised Entitlement Form) has been prepared by Pilbara. This Information Booklet is dated 18 December 2020 (other than the ASX Offer Announcements, which were released to the ASX and published on the ASX website on 14 December 2020).

No party other than Pilbara has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Pilbara, or its related bodies corporate in connection with the Retail Entitlement Offer.

To the maximum extent permitted by law, the Underwriter Parties disclaim all duty and liability (including for fault, negligence and negligent misstatement) for any loss howsoever and whenever arising from the use of any information contained in this Information Booklet.

### **8.2 Status of Information Booklet**

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allows rights issues to be offered without a prospectus.

Neither this Information Booklet nor the Entitlement Form are required to be lodged or registered with ASIC. This Information Booklet is not a prospectus under the Corporations Act and no prospectus for the Retail Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Pilbara. They do not contain all the information that would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on Pilbara and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Information Booklet, the Investor Presentation and other announcements made available at [www.asx.com.au](http://www.asx.com.au). Alternatively, you can access information about the Retail Entitlement Offer online at [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au). This Information Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Information Booklet, and the Investor Presentation released to ASX on 14 December 2020 (in particular, the "Key Risks" section), if you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

### **8.3 Information Booklet availability**

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this Information Booklet (along with their personalised Entitlement Form) during the period of the Retail Entitlement Offer by accessing the Pilbara offer website [www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au). You will need to provide your

Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the online Entitlement Form.

In addition, Eligible Retail Shareholders in Australia and New Zealand can also obtain a copy of the Information Booklet during the period of the Retail Entitlement Offer by accessing the ASX website. The electronic version of this Information Booklet on the ASX website will not however include a personalised Entitlement Form.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet.

A paper copy of this Information Booklet (and personalised Entitlement Forms) can be requested by calling the Pilbara Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday during the Retail Entitlement Offer period.

This Information Booklet (and the personalised Entitlement Form) may not be distributed or released to, or relied upon by, persons in the United States or that are acting for the account or benefit of a person in the United States.

#### **8.4 Eligible Institutional Shareholders**

Eligible Institutional Shareholders are institutional shareholders that the Underwriter determines in its discretion is eligible to participate in the Institutional Entitlement Offer and successfully receives an offer on behalf of Pilbara under the Institutional Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder or an Eligible Retail Shareholder, is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of Pilbara and/or the Underwriter. Each of Pilbara and the Underwriter, and each of their respective Beneficiaries, disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

#### **8.5 Ranking of New Shares**

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Pilbara's constitution, a copy of which is available in the Corporate Governance section at <http://www.pilbaraminerals.com.au>.

#### **8.6 Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Pilbara. You should refer to the 'Risks' section of the Investor Presentation released to ASX on 14 December 2020 which is included in section 7 of this Information Booklet. You should consider these factors carefully in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

#### **8.7 Reconciliation**

The Entitlement Offer is a complex structure and in some instances, Shareholders may believe that they will own more Shares in Pilbara than they actually do on the Record Date. This results in a need for reconciliation. If reconciliation is required, it is possible that Pilbara may need to issue a



small quantity of additional New Shares (**Top-Up Shares**) to ensure all Eligible Retail Shareholders receive their full Entitlement.

These Top-Up Shares would be issued at the Offer Price.

#### **8.8 No cooling off**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

#### **8.9 Taxation**

Taxation implications will vary depending upon the individual circumstances of Eligible Retail Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares.

#### **8.10 Rounding of Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

#### **8.11 Trading of Entitlements**

As outlined in section 3.6 of this Information Booklet, your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (AEDT) on 11 January 2021, your rights will lapse.

#### **8.12 ASX quotation**

Subject to approval being granted, quotation of the New Shares issued under the Retail Entitlement Offer is expected to commence on 18 January 2021 on a normal trading basis.

Holding statements will be dispatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares.

Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company, the Underwriter Parties and the Registry will have no responsibility for, and disclaim all duty and liability whether in fault, negligence, negligent misstatement or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company, the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

#### **8.13 Rights of the Company**

Pilbara reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

By accepting their Entitlement, Eligible Retail Shareholders irrevocably acknowledge and agree to do any of the above as required by the Company in its absolute discretion. Eligible Retail Shareholders also acknowledge that:

- there is no time limit on the ability of Pilbara to require any of the actions set out above; and

- where Pilbara exercises their right to correct an Eligible Retail Shareholder's Entitlement, the Eligible Retail Shareholder is treated as continuing to accept or not take up any remaining Entitlement.

#### **8.14 Notice to nominees**

If the Company believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer from Pilbara. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder; or
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as custodians or nominees must not take up Entitlements or apply for New Shares on behalf of, or for the account or benefit of, a person in the United States and must not send any document relating to the Retail Entitlement Offer to any person that is in the United States.

Pilbara is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Pilbara is not able to advise on foreign laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

#### **8.15 Underwriting and Sub-Underwriting of the Entitlement Offer**

Pilbara has entered into the Underwriting Agreement with the Underwriter, who has agreed to be manager, bookrunner and underwriter of the Entitlement Offer, subject to the terms of the Underwriting Agreement.<sup>6</sup> The Underwriter has also entered into sub-underwriting agreements with each Sub-Underwriter.

Any New Shares which are not subscribed for by Eligible Retail Shareholders under their Entitlements will form part of the Retail Shortfall to be taken up by the Underwriter or Sub-Underwriters, on the terms and subject to the conditions of the Underwriting Agreement and Sub-Underwriting Agreements.

##### **(a) Underwriting**

The obligation on the Underwriter to underwrite the Entitlement Offer is conditional on certain customary conditions precedent. Additionally, the Underwriter may (in certain circumstances having regard to the materiality of the event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events. For further details, see the summary of the Underwriting Agreement which is set out in slides 31 and 32 of the Investor Presentation. That summary also provides details on how any excess shortfall under the Entitlement Offer will be handled.

<sup>6</sup> Please refer to the summary of the Underwriting Agreement in the Investor Presentation for further information.

The Underwriter will be paid an underwriting fee of 1.75% (excluding GST) and an offer management fee of 0.75% (excluding GST) and a structuring fee of 1.15% (excluding GST) of the Entitlement Offer proceeds, for providing these services. The Underwriter will also be reimbursed for certain expenses.

Neither the Underwriter nor any of the Underwriter Parties have authorised or caused the issue, lodgement, submission, despatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all duties and liabilities (including for fault, negligence and negligent misstatement) in respect of, and makes no representations regarding, and takes no responsibility for, any part of this Information Booklet or any action taken by you on the basis of such information in this Information Booklet.

To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all duty and liability (including for fault, negligence and negligent misstatement) for any expenses, losses, damages or costs incurred by you as a result of your participation in, or failure to participate in, the Retail Entitlement Offer and for this Information Booklet being inaccurate or incomplete in any way for any reason, whether by fault, negligence, negligent misstatement or otherwise. To the maximum extent permitted by law, the Underwriter Parties also exclude and disclaim all duty and liability (including for fault, negligence and negligent misstatement) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Information Booklet or otherwise arising in connection with it, whether by fault, negligence or otherwise. None of the Underwriter Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties (express or implied) to you concerning the Entitlement Offer, or the Information Booklet and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the entitlements, New Shares or the Entitlement Offer generally.

Subject to the terms of the Underwriting Agreement, to the extent there is a Retail Shortfall, this may be taken up by the Underwriter or Sub-Underwriters, with the Underwriter to pay the Company the Offer Price per Retail Shortfall Share less any amounts the Underwriter is entitled to set-off pursuant to the Underwriting Agreement. Pilbara does not guarantee that there will be any Retail Shortfall.

The Underwriter is acting for and providing services to Pilbara in relation to the Entitlement Offer and will not be acting for, or providing services to, securityholders, creditors or any other potential investor. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with Pilbara. The engagement of the Underwriter by Pilbara is not intended to create any agency, fiduciary or other relationship between the Underwriter and Pilbara's shareholders, creditors or any other investor and you expressly disclaim any fiduciary relationship with the Underwriter.

The Underwriter, together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

In addition to the fees under the Underwriting Agreement, the Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Pilbara and may in the future be lenders to Pilbara or its affiliates.

(b) **Sub-Underwriting**

The Underwriter has entered into sub-underwriting agreements with AustralianSuper and RCF VII (the **Sub-Underwriting Agreements**). AustralianSuper has undertaken to subscribe for \$74.86 million worth of Retail Shortfall Shares and RCF VII has undertaken to subscribe for \$30 million

worth of Retail Shortfall Shares under the Retail Shortfall in their respective Sub-Underwriting Agreements.

The Sub-Underwriting Agreements are on standard market terms by reference to the AFMA Master ECM Terms.

#### **8.16 Foreign jurisdictions**

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement Form or trading Entitlements is not in the United States and not acting for the account or benefit of a person in the United States.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit the public offering of the New Shares in any jurisdiction other than Australia and New Zealand.

The New Shares are not being offered to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

This Information Booklet, and any accompanying ASX announcements and the Entitlement Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet nor the Entitlement Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares offered in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

#### **8.17 Governing Law**

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offers pursuant to the personalised Entitlement Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

#### **8.18 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Pilbara, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Pilbara, nor any other person, warrants or guarantees the future performance of Pilbara or any return on any investment made pursuant to this Information Booklet or its content.

#### **8.19 Withdrawal of the Retail Entitlement Offer**

Subject to applicable law, Pilbara reserves the right to withdraw all or part of the Retail Entitlement Offer at any time before the issue of New Shares, in which case all Application Monies will be refunded without interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Pilbara may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Pilbara will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Pilbara.

#### **8.20 Privacy Statement**

If you apply for New Shares, you will be providing personal information to Pilbara (directly or through the Registry). Pilbara collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Information Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement Form is not provided, Pilbara may not be able to accept or process your application.

## 9. Glossary

**ABN** means Australian Business Number.

**AEDT** means Australian Eastern Daylight Time.

**Application Monies** means the consideration for New Shares applied for by an Eligible Retail Shareholder, under the Retail Entitlement Offer.

**Acquisition** means the acquisition of 100% of the shares in ALO.

**ALO** means Altura Lithium Operations Pty Ltd ACN 095 384 491.

**Altura** means Altura Mining Limited ACN 093 391 774.

**Altura Lithium Project** means the Altura's Pilgangoora Lithium Project.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which Shares are quoted.

**ASX Offer Announcements** means the ASX announcements reproduced in section 7 of the Information Booklet, being the announcement to ASX on 14 December 2020 and the Investor Presentation.

**AustralianSuper** means AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper

**CGT** means capital gains tax.

**Cornerstone Placement** means the institutional placement, as announced by Pilbara on or about 28 October 2020 and 14 December 2020.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Eligible Institutional Shareholder** has the meaning given in section 8.4 of this Information Booklet.

**Eligible Retail Shareholders** has the meaning given in section 3.3 of the Information Booklet.

**Eligible Shareholders** means Eligible Institutional Shareholders and Eligible Retail Shareholders.

**Entitlement** means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 7.6 Shares held at the Record Date.

**Entitlement Form** means the personalised form to be used to make an application for New Shares in accordance with the instructions set out on that form.

**Entitlement Offer** means the accelerated, non-renounceable entitlement offer of 1 fully paid ordinary Share for every 7.6 existing Shares held at the Record Date at an Offer Price of \$0.36 made to Eligible Shareholders.

**GST** means goods and services tax.

**Ineligible Institutional Shareholder** means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

**Ineligible Retail Shareholder** means a retail Shareholder that is not an Eligible Retail Shareholder.

**Ineligible Shareholders** means an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder.

**Information Booklet** means this information booklet in relation to the Retail Entitlement Offer, including the ASX Offer Announcements.

**Institutional Entitlement Offer** means the institutional component of the Entitlement Offer made to Eligible Institutional Shareholders.

**Institutional Investor** means a person:

- if in Australia, who is an “exempt investor” as defined in section 9A(5) of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and any other applicable ASIC legislative instrument or other relief); or
- in certain selected institutions outside Australia to whom an offer of New Shares may be made without any other registration, lodgement or approval with or by a government authority (other than one which the Company, in its absolute discretion, is willing to comply),

in each case who is not in the United States it (unless it is an approved United States shareholder or an approved United States investor, for the purposes of a US private placement which was conducted concurrently with the Placement) and will acquire the New Shares in ‘offshore transactions’ (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

**Institutional Shareholder** means a Shareholder who is an Institutional Investor.

**Investor Presentation** means the Investor Presentation released to ASX on 14 December 2020 and included in section 7 of this Information Booklet.

**Pilbara** or the **Company** means Pilbara Minerals Limited ACN 112 425 788.

**Listing Rules** means the official listing rules of the ASX.

**New Shares** means the fully paid ordinary Shares in Pilbara offered under the Entitlement Offer.

**Offer Price** means \$0.36 being the price payable per New Share under the Entitlement Offer.

**RCF VII** means Resource Capital Fund VII L.P.

**Record Date** means 7.00pm (AEDT time) on 16 December 2020.

**Registry** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person appointed as registry by Pilbara from time to time.

**Retail Entitlement Offer** means the retail component of the Entitlement Offer made to Eligible Retail Shareholders.

**Retail Shortfall** means the New Shares not subscribed for under the Retail Entitlement Offer.

**Share** means a fully paid ordinary share in Pilbara.

**Shareholder** means a holder of a Share of the Company.



**Sub-Underwriters** means AustralianSuper and RCF VII.

**Sub-Underwriting Agreements** means the sub-underwriting agreements entered into by the Underwriter with AustralianSuper and RCF VII.

**TFN** means tax file number.

**Underwriter** means Macquarie Capital (Australia) Limited ACN 123 199 548.

**Underwriter Parties** has the meaning given in the “Important notices”.

**Underwriting Agreement** means the underwriting agreement between Pilbara and the Underwriter, dated 14 December 2020.

**U.S. Securities Act** means the United States Securities Act of 1933.

## 10. Corporate directory

### Registered Office

Pilbara Minerals Limited  
Level 2, 88 Colin Street  
West Perth WA 6005

### Underwriter

Macquarie Capital (Australia) Limited  
Level 23, 240 St Georges Terrace  
Perth WA 6000

### Legal Adviser

Allen & Overy  
Level 12, 2 The Esplanade  
Perth, WA 6000

### Registry

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

### Website

Information about the Retail Entitlement Offer can be found via Pilbara's offer website at  
[www.pilbaraoffer.com.au](http://www.pilbaraoffer.com.au)

### Pilbara Offer Information Line

1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia)  
Open between 8:30am and 5:00pm (AEDT) on Monday to Friday during the Retail Entitlement Offer period.