



PILBARA MINERALS SECURES NEW LOW-COST US\$110M DEBT FACILITY TO REPLACE EXISTING NORDIC BOND

REFINANCING WILL DELIVER IMPROVED CASH-FLOW OUTCOMES, REDUCE FUNDING COSTS AND POSITION PILBARA MINERALS TO CAPITALISE ON EXPECTED LITHIUM RAW MATERIALS DEMAND GROWTH

HIGHLIGHTS

- Binding commitments received for **US\$110M senior secured debt facility** from leading international bank **BNP Paribas** and Australia's specialist clean energy investor, the **Clean Energy Finance Corporation** - both long term supporters of Pilbara Minerals.
- Finance Facility will primarily be used to **fund the early redemption** of the existing US\$100M Nordic Bond (**Nordic Bond**), which was used to support the financing of Stage 1 of the Pilgangoora Lithium-Tantalum Project in 2017.
- Additional binding commitment also received from BNP Paribas to **renew the existing US\$15M Working Capital Facility**.
- Finance Facility will provide a substantial cost saving when compared to the Nordic Bond, with an average interest rate of ~5%, based on current market reference rates.
- Drawdown of the Finance Facility **expected in the current quarter**, subject to final documentation and customary conditions precedent.
- The continuing support of CEFC demonstrates the importance of lithium in the **global transition towards clean energy technology**.
- Pilbara Minerals to embark on a pathway to achieve net zero emissions (Scope 1 and 2) and disclose in line with the Task Force on Climate-related Financial Disclosures.

Australian spodumene and tantalum concentrate producer, Pilbara Minerals Limited (ASX: PLS) (**Pilbara Minerals** or **the Company**) is pleased to announce a refinancing of its existing debt facilities to support its long-term growth.

The Company has received binding commitments from the leading international bank, BNP Paribas, and Australia's specialist clean energy investor, the Clean Energy Finance Corporation (**CEFC**) to provide a senior secured US\$110M Finance Facility (**Finance Facility**).

Proceeds will be applied to redeem the existing US\$100M Nordic Bond used to fund the Stage 1 development of the Pilgangoora Lithium-Tantalum Project (Pilgangoora Project), including reimbursement of the principal repayment (US\$6.25M) and interest payment (US\$3M) made to bondholders in June 2020. The proceeds will also contribute towards the early redemption premium payable under the Nordic Bond (US\$4.5M), as well as related transaction costs.



The participation of both BNP Paribas and the CEFC in the new Finance Facility reinforces their existing strong relationships with Pilbara Minerals, with both parties existing lenders to the Pilgangoora Project

BNP Paribas has committed to providing US\$73.3M of the Finance Facility with the CEFC contributing the remaining US\$36.7M, for a total of US\$110M. Binding terms have also been received from BNP Paribas to extend the undrawn US\$15M Working Capital Facility originally established in 2018.

The establishment of this US\$110M Finance Facility represents the culmination of the process outlined in Pilbara Minerals' March 2020 Quarterly Activities Report to evaluate funding options that could ultimately ease the cashflow impact of the Nordic Bond, including reducing the 12% cost of funding attached to the Nordic Bond.

When the Nordic Bond was established in 2017 to finance the construction and development of Stage 1 of the Pilgangoora Project, its terms and conditions were appropriate and representative of market offerings for secured debt financing of lithium development projects at that time.

Since then, Pilbara Minerals has successfully managed the construction, commissioning, ramp-up and optimisation of the Stage 1 Pilgangoora Project, establishing itself as a reputable global lithium and tantalum producer. This has enabled the Company to attract a range of new and competitive funding opportunities.

The Finance Facility being provided by BNP Paribas and the CEFC emerged from this evaluation process as an attractive offering, representing a substantial cost saving relative to the Nordic Bond.

Importantly, it will deliver Pilbara Minerals with an extended grace period before quarterly principal repayments commence in September 2022, providing the Company with greater flexibility to manage its cash flows during the current soft market conditions, which have been exacerbated by the COVID-19 pandemic.

The CEFC has been a strong supporter of Pilbara Minerals and the Pilgangoora Project, having established itself as the cornerstone investor to the initial project financing through its US\$15M contribution to the Nordic Bond.

The CEFC's participation in the Finance Facility advances its strategy of strengthening Australia's role in the renewable energy supply chain. Boosting the supply of raw materials which are essential to the manufacture of clean energy technologies such as renewable energy storage, electric vehicles and other clean energy initiatives will enable the global transition to clean energy and fewer emissions.

Importantly for Pilbara Minerals, the CEFC's participation aligns with the Company's own sustainability objectives, including installation of renewable energy and other low emission related initiatives. It also demonstrates the Australian Government's strong support for Australian projects.

BNP Paribas also has a long-standing relationship with Pilbara Minerals through the provision of a US\$15M Working Capital Facility since 2018. BNP Paribas is a well renowned international bank which is an established leader in sustainable finance to support a responsible and sustainable global economy.

This partnership therefore aligns perfectly to the purpose and strategy of all three parties.

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Pilbara Minerals' Managing Director and CEO, Ken Brinsden, said:

"This landmark refinancing of our long-term debt facilities is an outstanding achievement for Pilbara Minerals, representing the first time that a lithium raw materials player of our size has attracted conventional, syndicated project financing at such a competitive cost.

"We are very pleased with the continued support of both BNP Paribas and the CEFC, which clearly demonstrates their ongoing commitment to a long-term partnership with the Company to support our growth ambitions and sustainability objectives.

"The new facilities are offered on very competitive terms, putting us in a very strong position to ride out the current soft market conditions and capitalise on the rebound in the lithium market, when that inevitably occurs.

"It reflects the quality and scale of the Pilgangoora Project, as well as our success in building, commissioning and ramping-up the Pilgangoora Project to secure our position as a sustainable and reliable long-term supplier of lithium raw materials to some of the key players in the global lithium battery supply chain.

"Both BNP Paribas and the CEFC have been key contributors and partners in the development journey of the Pilgangoora Project. It is great to see the Australian Government backing Australian lithium projects, as well as a major international bank such as BNP Paribas, with both parties recognising the important role projects such as Pilgangoora play in the development of clean energy supply chains across the globe.

"In recognising the importance of minimising our impact on climate change, we are now embarking on a pathway to achieve net zero emissions at our operations, an objective that goes to the heart of who we are and our purpose.

"I would also like to take this opportunity to thank the participants in the original Nordic Bond for their confidence in Pilbara Minerals back in 2017 and their financial support. I look forward to continuing our strong working relationship with the CEFC and BNP Paribas as we operate, grow and diversify our business in the years to come."

Commenting on BNP Paribas's support, Chief Executive Officer, Australia & New Zealand, Karine Delvallée, said:

"BNP Paribas has a long history supporting the Australian economy and we're proud to bring our expertise to this financing facility. As a leading player in sustainable financing globally, we recognise the importance of growing renewable energy sources and continue to support energy transition."

Commenting on CEFC's continued support, CEO Ian Learmonth, said:

"The CEFC is proud to strengthen our commitment to a company forging a new path for our resource sector while helping Australia transition to a low carbon economy.

"The development of a renewable supply chain is critical to our clean energy future. Pilbara Minerals is helping build Australia's capacity to supply much needed resources for the clean energy technologies that will play a vital role in increasing the use of renewables in our future energy mix.

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“CEFC finance enables this important work to continue when it steps up during times of economic uncertainty and we hope that this syndicated facility with BNP Paribas will allow the opportunity for other banks to participate in the future.”

The Finance Facility and Working Capital Facility have been approved by Pilbara Minerals' Board based on credit approved terms and are subject to formal documentation and customary conditions precedent to drawdown, including the redemption of the Nordic Bond in accordance with its terms. The Company expects to be able to draw down on the Finance Facility following completion of documentation and satisfaction of conditions precedent during the current quarter.

KEY TERMS OF FINANCE FACILITY

Key terms of the US\$110M Finance Facility are summarised below:

Lenders	BNP Paribas and Clean Energy Finance Corporation
Borrower:	Pilgangoora Operations Pty Ltd, a wholly-owned subsidiary of Pilbara Minerals Limited (“ POPL ”)
Guarantors:	Pilbara Minerals Limited (“ PLS ”) and Pilgangoora Holdings Pty Ltd (“ PHPL ”)
Facility Amount:	US\$110M
Use of Proceeds:	Refinance of the existing US\$100M Nordic Bond (including any early redemption premium, reimbursement of June 2020 principal repayment and interest payment), transaction costs and fees payable under the Finance Facility.
Tenor:	5 years
Security:	Senior secured
Interest:	Average all-in interest rate across the facility currently ~5.00%, applying the agreed market reference rate.
Repayment Schedule:	Quarterly interest only payments for the first 2 years, with quarterly amortisation over years 3, 4 and 5 of the facility and a bullet repayment of US\$36M on maturity. Customary “Cash Sweep” mechanism for a facility of this nature.
Covenants:	Customary positive and negative covenants, undertakings and events of default for a secured financing of this nature, as well as certain clean energy undertakings around disclosing in line with the Task Force on Climate-related Financial Disclosures (TCFD) and implementation of renewable energy targets. These include installing a part-renewable power solution, implementing emissions measurement and monitoring to better manage carbon emissions and developing a plan to achieve reduced emissions (Scope 1 and 2) over time.
Financial Covenants:	Customary for a financing of this nature, comprising minimum liquidity, debt service coverage ratio, loan life coverage ratio and reserve tail ratio.



Distributions to Parent Company	Cash dividends and distributions from POPL to PHPL and PLS allowed quarterly provided that the first scheduled repayment has been made, and the distribution covenants for that quarter and the preceding quarter are met.
Governing Law	Western Australia.

Pilbara Minerals' financial adviser in relation to the Finance Facility and Working Capital Facility was BurnVair Corporate Finance. Allen & Overy acted as its legal advisers.

About the Clean Energy Finance Corporation (cefc.com.au)

The CEFC has a unique role to increase investment in Australia's transition to lower emissions. We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges – in agriculture, energy generation and storage, infrastructure, property, transport and waste. We're also proud to back Australia's cleantech entrepreneurs through the Clean Energy Innovation Fund. In investing \$10 billion on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.

About BNP Paribas in Asia Pacific (apac.bnpparibas)

In Asia Pacific, BNP Paribas is one of the best-positioned international financial institutions with an uninterrupted presence since 1860. Currently with over 18,000 employees* and a presence in 13 markets, BNP Paribas provides corporates, institutional and private investors with product and service solutions tailored to their specific needs. It offers a wide range of financial services covering corporate & institutional banking, wealth management, asset management, insurance, as well as retail banking and consumer financing through strategic partnerships.

Worldwide, BNP Paribas has a presence in 71 markets with more than 198,000 employees. It has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. Asia Pacific is a key strategic region for BNP Paribas and it continues to develop its franchise in the region.

* excluding partnerships

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

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MORE INFORMATION

ABOUT PILBARA MINERALS

Pilbara Minerals is an Australian lithium-tantalum producer and a top-300 company on the Australian Securities Exchange (ASX: PLS). Through the development of its 100% owned, Pilgangoora Lithium-Tantalum Project (Pilgangoora Project), the Company is positioned to become a major player in the world's rapidly growing lithium supply chain, underpinned by the electric vehicle and energy storage markets.

Located in Western Australia's resource rich Pilbara region, the Pilgangoora Project hosts one of the world's largest hard rock lithium-tantalum deposits and is recognised as one of the most important new sources of lithium raw materials globally. The Pilgangoora Project's significant scale and outstanding quality has not only resulted in a remarkable development timeline, with Pilbara Minerals having progressed it from first drill hole to production in under four years, but also attracted a consortium of high quality global partners including Ganfeng Lithium, General Lithium, Great Wall Motor Company, POSCO, CATL and Yibin Tianyi.

Now that production is underway, Pilbara Minerals is focused on an expansion and diversification strategy to become one of the biggest and lowest cost lithium producers, and a fully integrated lithium raw materials and chemicals supplier in the years to come.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this announcement are to Australian currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

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