



FINANCIAL CLOSE ACHIEVED FOR NEW LOW-COST US\$110M DEBT FACILITY TO REPLACE EXISTING NORDIC BOND

HIGHLIGHTS

- Formal Agreements for the US\$110M senior secured debt facility now executed with both BNP Paribas and Australia's specialist clean energy investor, the Clean Energy Finance Corporation.
- All conditions precedent for financial close and drawdown have been satisfied.
- Redemption notice to be issued to the Bond Trustee to redeem the outstanding balance of the Nordic Bonds.
- Draw-down of the new US\$110M senior secured debt facility and repayment of the Nordic Bonds anticipated by 30 September.
- Agreements executed also include the renewal of the US\$15M Working Capital Facility with BNP Paribas.

Further to its announcement of 30 July 2020, Australian spodumene and tantalum concentrate producer, Pilbara Minerals Limited (ASX: PLS) (**Pilbara Minerals** or **the Company**) is pleased to announce that it has now completed and executed the finance documents supporting the senior secured US\$110M Finance Facility (**Finance Facility**) with leading international bank, BNP Paribas, and Australia's specialist clean energy investor, the Clean Energy Finance Corporation (**CEFC**).

Proceeds from the Finance Facility will be used to redeem the outstanding balance owing under the existing US\$100M Nordic Bond (**Nordic Bond**), which was used to fund the Stage 1 development of the Pilgangoora Lithium-Tantalum Project (**Pilgangoora Project**).

All conditions precedent for financial close and draw-down have been satisfied, allowing Pilbara Minerals to issue a redemption notice to the Nordic Bond trustee notifying of its intention to exercise the Call Option under the bond terms to voluntarily redeem the outstanding balance of the Nordic Bonds.

It is anticipated that the Nordic Bonds will be redeemed in full on or about 30 September, inclusive of the early redemption premium.

The Finance Facility will also fund the reimbursement to Pilbara Minerals of the principal payment (US\$6.25M) and interest payment (US\$3M) made in June 2020 to the Nordic bondholders.

The Finance Facility also includes an extension of the undrawn US\$15M Working Capital Facility (originally established in 2018) with BNP Paribas.

Substantial cost savings are expected from the Finance Facility when compared to the Nordic Bond, with an average interest rate of ~5% based on current market reference rates. It will also deliver Pilbara Minerals with an extended grace period before quarterly principal repayments commence in September 2022.

This places the Company in a strong position and will provide greater flexibility to manage its cash flows during this period when lithium demand remains relatively weak, product



pricing is under pressure, and market conditions have been impacted by the COVID-19 pandemic.

Commenting on the new finance facilities, Pilbara Minerals' Managing Director, Ken Brinsden, said:

"The fantastic long-term financing outcome achieved by the Pilbara Minerals team shows just how far the Company has come since 2017. As one of the major new key lithium raw materials suppliers globally, we have been able to attract very competitive financing terms from leading financial institutions in a challenging market.

"This speaks volumes to the Tier-1 status of our deposit, the quality of our products, the strong recent performance of our plant, our cost competitive supply base and the quality of the key strategic partners and off-takers participating in our business. This is a credit to the Pilbara Minerals team and I am very proud of their achievements."

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.