

DEBT FACILITIES EXECUTED TO SUPPORT GROWTH STRATEGY AT PILGANGOORA

A\$250M LONG-TERM DEBT FACILITY FROM AUSTRALIAN GOVERNMENT AGENCIES EXECUTED AND EXISTING SYNDICATED DEBT FACILITY TO BE REFINANCED ON IMPROVED TERMS

KEY POINTS

- Finance agreements executed for the A\$250M long-term debt facility with Australian Government agencies Export Finance Australia and Northern Australia Infrastructure Facility (as announced on 11 November 2022).
- Existing secured USD syndicated debt facility to be re-financed on improved terms with a new US\$113M debt facility.
- New debt facilities to support the P680 Project expansion, which includes a 5Mtpa integrated crushing and ore sorting facility, providing a pathway to deliver up to 1Mtpa of spodumene concentrate from the Pilgangoora Project.
- Continued support from the Australian Government and commercial lenders reaffirms the importance of the Pilgangoora Project to the global battery materials supply chain and Australia's critical minerals industry.

Further to its announcement on 11 November 2022, Australian lithium producer Pilbara Minerals Limited (**Pilbara Minerals or the Company** – ASX: PLS) is pleased to advise that it has now executed the 10-year A\$250M debt facility with the Australian Government through Export Finance Australia (**EFA**) and the Northern Australia Infrastructure Facility (**NAIF**).

In parallel, Pilbara Minerals has also taken the opportunity to refinance its existing USD secured syndicated debt facility on improved terms. Collectively, these new debt facilities support Pilbara Minerals' strategy to expand, grow and diversify its business further down the battery materials supply chain.

The facility agreements were executed on 21 February 2023 and comprise:

- (a) A\$250M, secured 10-year amortising debt facility – USD equivalent of A\$125M from EFA and A\$125M from NAIF, both Australian Government financing agencies (**Government Agencies**); and
- (b) US\$113M, secured 5-year amortising debt facility with BNP Paribas, Société Générale, HSBC Bank Australia Limited (**HSBC**) and National Australia Bank (**NAB**) (collectively the **Commercial Lenders**).

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The proceeds of the debt facility from the Commercial Lenders will predominantly be used to refinance the existing secured syndicated debt facility, which currently has an outstanding balance of US\$100M.

As previously announced, the debt facility being provided by the Government Agencies will support the construction of:

- the P680 Project expansion to deliver an additional 100,000tpa of spodumene concentrate production from the Pilgan Plant; and
- a 5Mtpa integrated crushing and ore sorting facility to replace the existing contracted crushing facility at the Pilgan Plant, which will support future expansions that could ultimately deliver up to 1Mtpa of spodumene concentrate capacity across the Pilgangoora Project.

The Clean Energy Finance Corporation (**CEFC**), who are an existing lender, have decided not to participate in the refinancing of the existing debt facility to facilitate the increased participation of commercial lenders.

Pilbara Minerals would like to acknowledge the significant support provided by the CEFC over the past five years, from their cornerstone investment in the Nordic Bond which financed the initial construction and development of the Pilgangoora Project back in 2017, to their participation in the 2020 refinancing of the Nordic Bond, which proved invaluable in protecting Pilbara Minerals during challenging market conditions at that time. Pilbara Minerals would like to sincerely thank the CEFC and the Australian Government for its support to date.

The new debt facilities provide Pilbara Minerals with additional financial flexibility, enabling existing cash to be retained as the Company considers further expansion at the Pilgangoora Project via the proposed P1000 Project, and looks to grow and diversify its operations further down the battery materials supply chain. These debt facilities will also assist Pilbara Minerals to maintain balance sheet strength during future commodity price cycles.

The new debt facilities contain improved terms relative to the existing secured syndicated debt facility including longer tenor, semi-annual repayments, more favourable covenants, less onerous undertakings, and improved pricing (with a margin approximately 1.5% below the existing facility).

Commenting on the new debt facilities, Pilbara Minerals' Managing Director and CEO, Dale Henderson, said:

"We are extremely pleased to have once again received strong financial support from the Australian Government and our commercial lending partners.

"The continued support from the Australian Government is a significant endorsement of Pilbara Minerals' assets and operations, recognising their strategic significance in the global battery materials supply chain.

"Meanwhile, the continued participation of BNP Paribas and Société Générale through the newly refinanced facility reinforces our existing strong relationship with these highly regarded international banks. We look forward to continuing to work with them and establishing a strong business relationship with our new partners in HSBC and NAB.

"I would like to take this opportunity to express our gratitude to the Clean Energy Finance Corporation for their support in the initial financing of the Pilgangoora Project and subsequent support in the years that followed. Pilbara Minerals is now an established, major participant in the lithium-ion battery materials industry – a position that we would not have achieved without their support, particularly through the market downturn of 2019-2020.

"The Company's ability to attract these financial institutions and secure these finance facilities demonstrates the quality of our assets and the strength of the business that has been built over the past few years.

"With the completion of these new finance facilities, Pilbara Minerals is now incredibly well positioned to pursue our long-term growth and diversification ambitions to become a fully integrated lithium raw materials and chemicals supplier – and to play a pivotal role as a battery materials supplier for many decades to come."

Draw-down under both debt facilities remains subject to satisfaction of a limited number of customary conditions precedent, which are expected to be satisfied over the coming month.

KEY TERMS OF FINANCE FACILITY

Key terms of the new debt facilities are summarised below:

	Refinance Facility	Government Facility
Lenders	BNP Paribas, Societe Generale, HSBC and NAB	Northern Australia Infrastructure Facility and Export Finance Australia
Borrower:	Pilgangoora Operations Pty Ltd (POPL), a wholly-owned subsidiary of Pilbara Minerals Limited	
Guarantors:	Pilbara Minerals Limited (PLS) and Pilgangoora Holdings Pty Ltd (PHPL)	
Facility Amount:	US\$113M	A\$250M
Use of Proceeds:	Refinance the existing secured syndicated debt facility and reimbursing cost of the P680 Project expansion previously spent	Financing of P680 Project expansion
Tenor:	5 years	10 years
Security:	Senior secured over assets and shares of Pilgangoora Operations Pty Ltd	
Funding Cost:	Average interest rate margin across the debt facilities of less than 2.9%, applied against the agreed market reference rate.	
Repayment Schedule:	Semi-annual amortisation over the respective tenor. Significantly improved "cash sweep" mechanism relative to existing Finance Facility.	
Covenants:	Positive and negative covenants, undertakings and events of default that are consistent with the existing Finance Facility (but with improvements to reflect the improved risk profile of the Company), as well as undertakings that are customary to Government Agencies including relating to an Indigenous Engagement Strategy, Australian	

	Industry Participation Plan and certain work health and safety requirements.
Financial Covenants:	Customary for a corporate-style debt facility, comprising minimum liquidity, gross leverage ratio, interest coverage ratio and net gearing ratio.
Distributions and Dividends	Dividends and distributions are allowed, provided financial covenants for the preceding 12 months are met.

Pilbara Minerals' financial adviser in relation to the debt facilities is BurnVoir Corporate Finance. Allen & Overy is acting as its legal advisers.

About Export Finance Australia (EFA)

EFA is Australia's export credit agency. EFA supports Australia's trade and infrastructure agenda by providing commercial finance for exporting businesses and Indo-Pacific infrastructure development. EFA administers the Australian Government's National Interest Account, which includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

About the Northern Australia Infrastructure Facility (NAIF)

The Northern Australia Infrastructure Facility (NAIF) is the Australian Government's development financier to infrastructure projects in the Northern Territory, Queensland and Western Australia. NAIF's mission is to be an innovative financing partner in the growth of northern Australia. A key focus of any financing is to drive public benefit, economic and population growth and Indigenous involvement in northern Australia.

About BNP Paribas

In Asia Pacific, BNP Paribas is one of the best-positioned international financial institutions with an uninterrupted presence since 1860. Currently with more than 18,000 employees* and a presence in 13 markets in Asia Pacific, BNP Paribas provides corporate, 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 65 countries with nearly 190,000 employees. It holds leading positions in its three major operating divisions: Commercial, Personal Banking & Services for all the Group's retail banking networks and several specialised businesses, including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, which is focused on corporate and institutional clients. Asia Pacific is a key strategic region for BNP Paribas and it continues to develop its franchise in the region.

* excluding partnerships

About Société Générale

Société Générale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and

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proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Société Générale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions. Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Société Générale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses: French Retail Banking; International Retail Banking, Insurance and Financial Services; and Global Banking and Investor Solutions. Société Générale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

About HSBC

HSBC is one of the world's largest banking and financial services organisations. We serve approximately 40 million customers through our global businesses: Wealth and Personal Banking, Commercial Banking, and Global Banking & Markets. Our network covers 63 countries and territories in Europe, Asia, the Middle East and Africa, North America and Latin America.

Our purpose – Opening up a world of opportunity – explains why we exist. We're here to use our unique expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for our customers. We're bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share.

About NAB

National Australia Bank (NAB) is one of Australia's leading domestic banks and retains its position as Australia's #1 Corporate & Institutional Bank based on Relationship Strength Index for Relationship Banking, Transaction Banking, Debt Securities Origination, Foreign Exchange, and Interest Rate Derivatives*. NAB offers corporate banking solutions across Australia, Asia, Europe, and North America with over 35,000 employees, serving more than 10 million customers. NAB has a strong focus on sustainability and is taking action on climate change by supporting customers to decarbonise, build their climate resilience and help achieve the goals of the Paris Agreement. NAB understands the importance that critical minerals, such as lithium, play in providing the resources for decarbonisation technologies and is financing the transition to a low carbon economy.

*Ranking based on 2022 and 2021 Peter Lee Associates survey ranking against the four major domestic banks.

Release authorised by Dale Henderson, Pilbara Minerals Limited's Managing Director.

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ABOUT PILBARA MINERALS

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

While it continues to deliver a quality spodumene concentrate to market, Pilbara Minerals is pursuing a growth and diversification strategy to become a sustainable, low-cost lithium producer and fully integrated lithium raw materials and chemicals supplier in the years to come. Through execution of this strategy, Pilbara Minerals has become a major player in the rapidly growing lithium supply chain, underpinned by increasing demand for clean energy technologies such as electric vehicles and energy storage as the world pursues a sustainable energy future.

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