



Pilbara Minerals

...Powering a sustainable energy future

Positioning for the future

Equity raising and acquisition of Altura Project

14 December 2020

ASX: PLS

Important notices

You must read the following notices before reading or making any use of this document or any information contained in this document. By continuing to read, use or otherwise act on this document, you agree to be bound by the following terms and conditions, including any modifications to them.

This document has been prepared by Pilbara Minerals Limited (ACN 112 425 788) ("**Pilbara Minerals**" or the "**Company**"). This document has been prepared in relation to Pilbara Minerals' acquisition of the Altura Lithium Project, which is to be effected by the acquisition of all the shares on issue in Altura Lithium Operations Pty Ltd ("**Altura Lithium Operations**") from Altura Mining Limited. The acquisition is to be funded by a placement of new fully paid shares in Pilbara Minerals ("**New Shares**") to new investors and a fully underwritten 1 for 7.6 pro-rata accelerated renounceable entitlement offer of New Shares to eligible institutional shareholders and eligible retail shareholders of Pilbara Minerals.

Not an Offer of Securities

This document has been independently prepared by Pilbara Minerals and is dated 14 December 2020. This document is provided for informational purposes only and does not constitute or contain an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in Pilbara Minerals. This document is not a prospectus, product disclosure statement or other offering document under Australian law or any other law, will not be lodged with the Australian Securities and Investments Commission, and may not be relied upon by any person in connection with an offer or sale of Pilbara Minerals' securities.

The release, publication or distribution of this document (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this document, 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. Refer to the 'Foreign selling restrictions' section of this document for more information.

Summary Information

This document contains a summary of information about Pilbara Minerals and its activities that is current as at the date of this document unless otherwise stated. The information in this document is general in nature and does not contain all the information which a prospective investor may require in evaluating a possible investment in Pilbara Minerals or that would be required in a prospectus or a product disclosure statement prepared in accordance with the *Corporations Act 2001* (Cth) ("**Corporations Act**") or the securities laws of any other jurisdiction. The information in this document should be read in conjunction with Pilbara Minerals' other periodic and continuous disclosure announcements lodged with the ASX.

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.

No Liability

The information contained in this document has been prepared in good faith by Pilbara Minerals, however no guarantee, representation or warranty expressed or implied is or will be made by any person (including Pilbara Minerals and its affiliates and their directors, officers, employees, associates, advisers and agents) as to the accuracy, reliability, correctness, completeness or adequacy of any statements, estimates, options, conclusions or other information contained in this document. No person other than Pilbara Minerals is responsible for the preparation of this document. To the maximum extent permitted by law, Pilbara Minerals and its affiliates and their directors, officers, employees, associates, advisers and agents each expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this document including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates, forecasts, or projections and any other financial information derived therefrom. Statements in this document are made only as of the date of this document unless otherwise stated and the information in this document remains subject to change without notice. No responsibility or liability is assumed by Pilbara Minerals or any of its affiliates (or their directors, officers, employees, associates, advisers and agents) for updating any information in this document or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which Pilbara Minerals and any of its affiliates or advisers may become aware.

Important notices

Forward Looking Statements

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.

Not Financial Product Advice

This document does not constitute financial product, investment advice or a recommendation to acquire Pilbara Minerals' securities and has been prepared without taking into account your investment objectives, taxation situation, financial situation or needs. This document consists purely of factual information and does not involve or imply a recommendation of a statement of opinion in respect of whether to buy, sell or hold a financial product. Each recipient of this document should make its own enquiries and investigations regarding all information in this document including, but not limited to, the assumption, uncertainty and contingencies which may affect future operations of Pilbara Minerals and the impact that different future outcomes may have on Pilbara Minerals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Pilbara Minerals is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of New Shares. Each investor must make its own independent assessment of Pilbara Minerals before acquiring any securities in Pilbara Minerals.

Investment Risk

An investment in Pilbara Minerals is considered to be speculative in nature and is subject to known and unknown risks, some of which are beyond the control of Pilbara Minerals, including possible loss of income and principal invested. Pilbara Minerals does not guarantee any particular rate of return or the performance of Pilbara Minerals, nor does it guarantee any particular tax treatment. Investors should have regard to the risk factors outlined in the 'Key risks' section of this document when making their investment decision.

U.S. Securities Laws

This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities issued by Pilbara Minerals have not been and will not be registered by Pilbara Minerals under the United States Securities Act of 1933 ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act (which Pilbara Minerals has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

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.

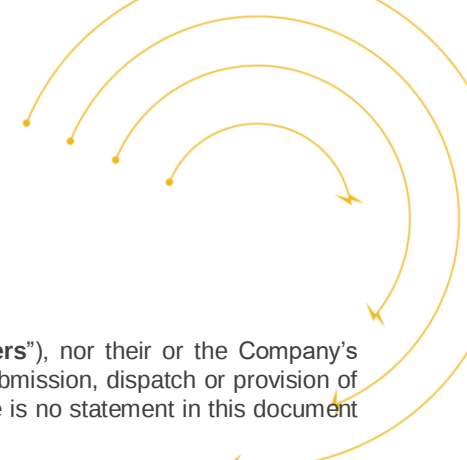
Effect of Rounding

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.

Important notices



Disclaimer

None of Macquarie Capital (Australia) Limited, AustralianSuper Pty Ltd in its capacity as trustee for AustralianSuper and Resource Capital Fund VII L.P, (together the “**Underwriters**”), nor their or the Company’s respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this document and, for the avoidance of doubt, and except to the extent referred to in this document, none of them makes or purports to make any statements in this document and there is no statement in this document which is based on any statement by any of them.

To the maximum extent permitted by law, Pilbara Minerals, the Underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in the document being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

To the maximum extent permitted by law, Pilbara Minerals, the Underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this document and, with regards to the Underwriters, their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents, have not independently verified any such information and take no responsibility for any part of this document or the Offer.

The Underwriters and their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer, nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the Underwriters, or any of their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

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

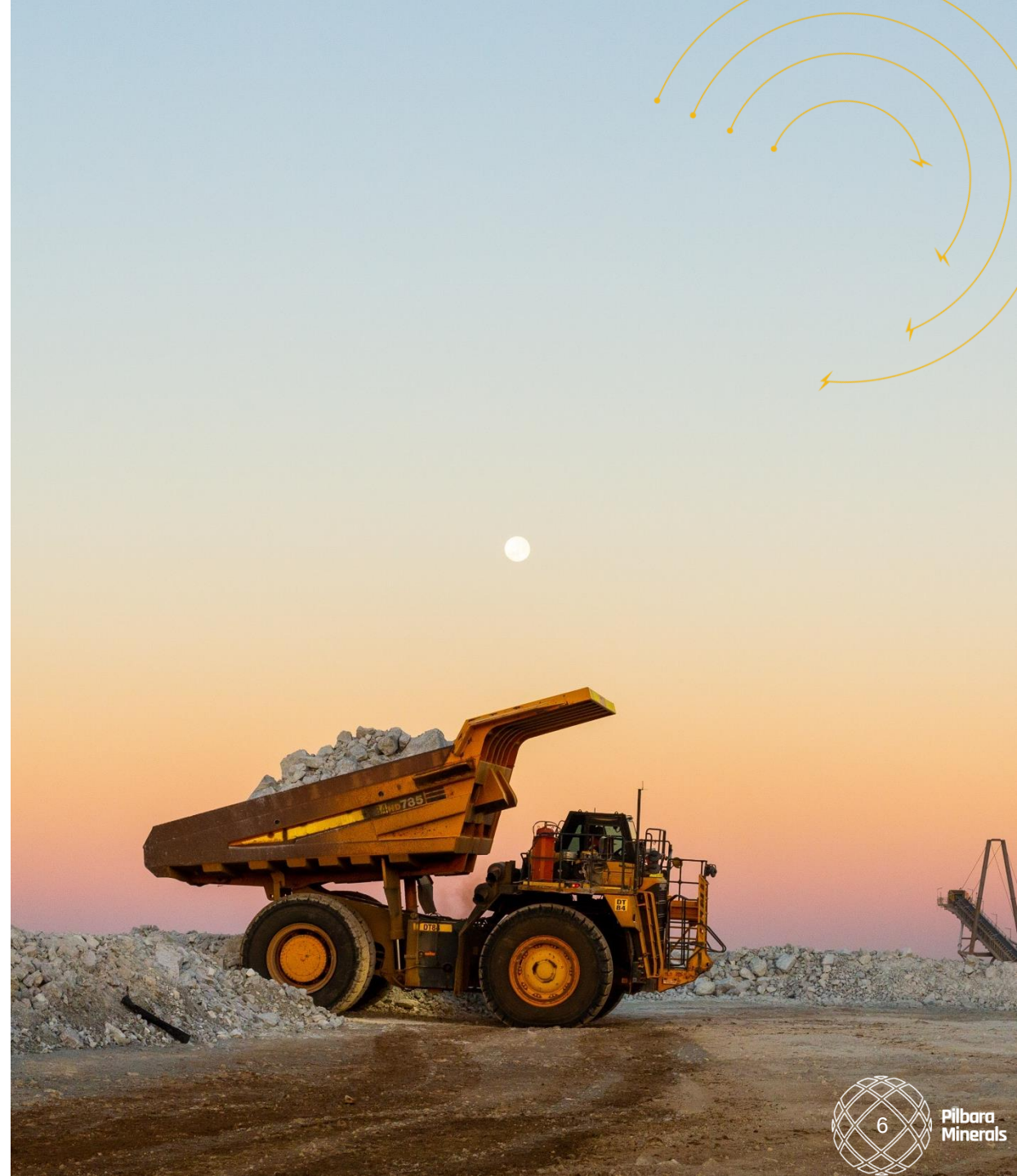
Release of this market announcement is authorised by Ken Brinsden, Pilbara Minerals Limited’s Managing Director and Chief Executive Officer.

Table of contents

1.	Overview of the acquisition and equity raising	7
2.	Introduction to the combined operation	11
3.	Equity raising	20

Appendices

A.	Summary of key agreements	26
B.	Investment risks	33
C.	Foreign selling restrictions	44



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^{1,2}

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 operation³



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

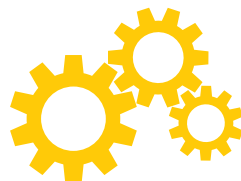
Proposed transaction expected to deliver significant benefits to Pilbara Minerals’ shareholders¹



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 scale¹



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 market²** 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	- 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 million¹ ("Acquisition") - 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
Consideration overview	- Total consideration of US\$175 million¹ ("Total Consideration") includes: Cash Consideration: an upfront cash payment of US\$155 million ("Cash Consideration") Deferred Consideration: 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 - 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
Conditions precedent	- Completion of the A\$240 million equity raising (underway) - Approval of the Pilbara Minerals sponsored DOCA (now approved, as announced to the ASX on 11 December 2020) and effectuation of the DOCA
Committed acquisition funding	- Pilbara Minerals intends to fund the acquisition through a A\$240 million equity raising - 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: - A\$119 million placement at a fixed price of A\$0.36 per share which completed on 11 December 2020 ("Placement") - 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") - 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) - 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 million²

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

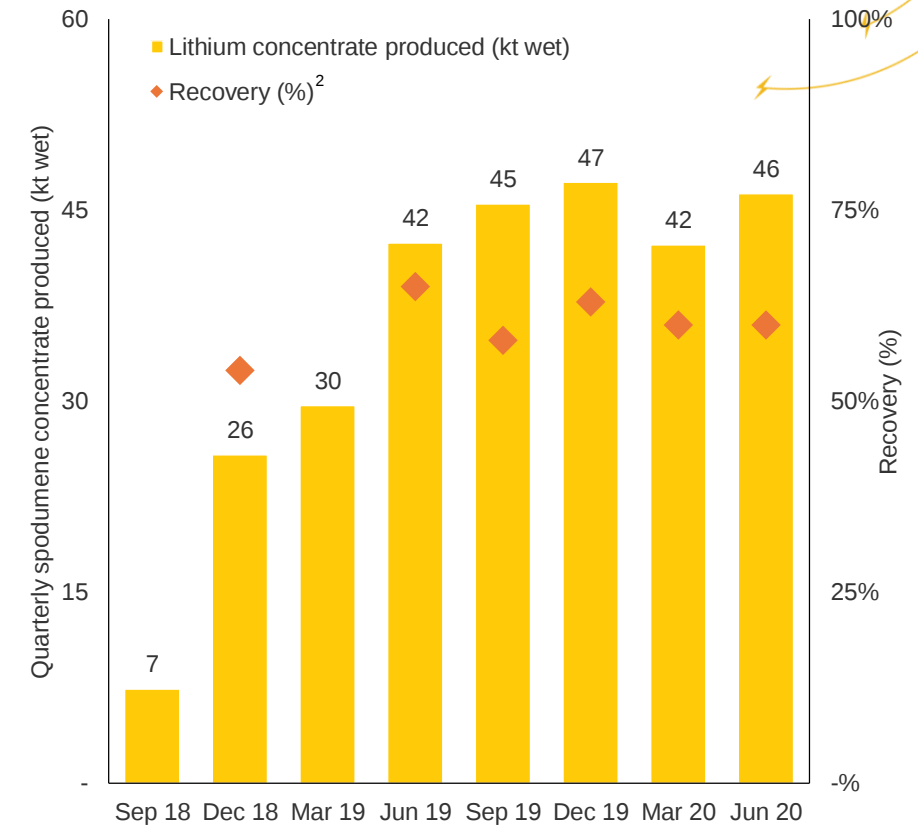
Overview of the Altura Project

The Altura Project is Pilbara Minerals' neighbouring operation

Project overview¹

- 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% Li₂O Ore Reserve and 45.7Mt @ 1.06% Li₂O Mineral Resource³
 - Pilbara Minerals will complete a review of Altura's previously stated Ore Reserve and Mineral Resource (using its own economic assumptions and modifying factors)⁴, and will release an updated Ore Reserve and Mineral Resource to the market in due course
 - The Altura Project plant operated at approximately 60% recovery¹. 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^{4,5}



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.

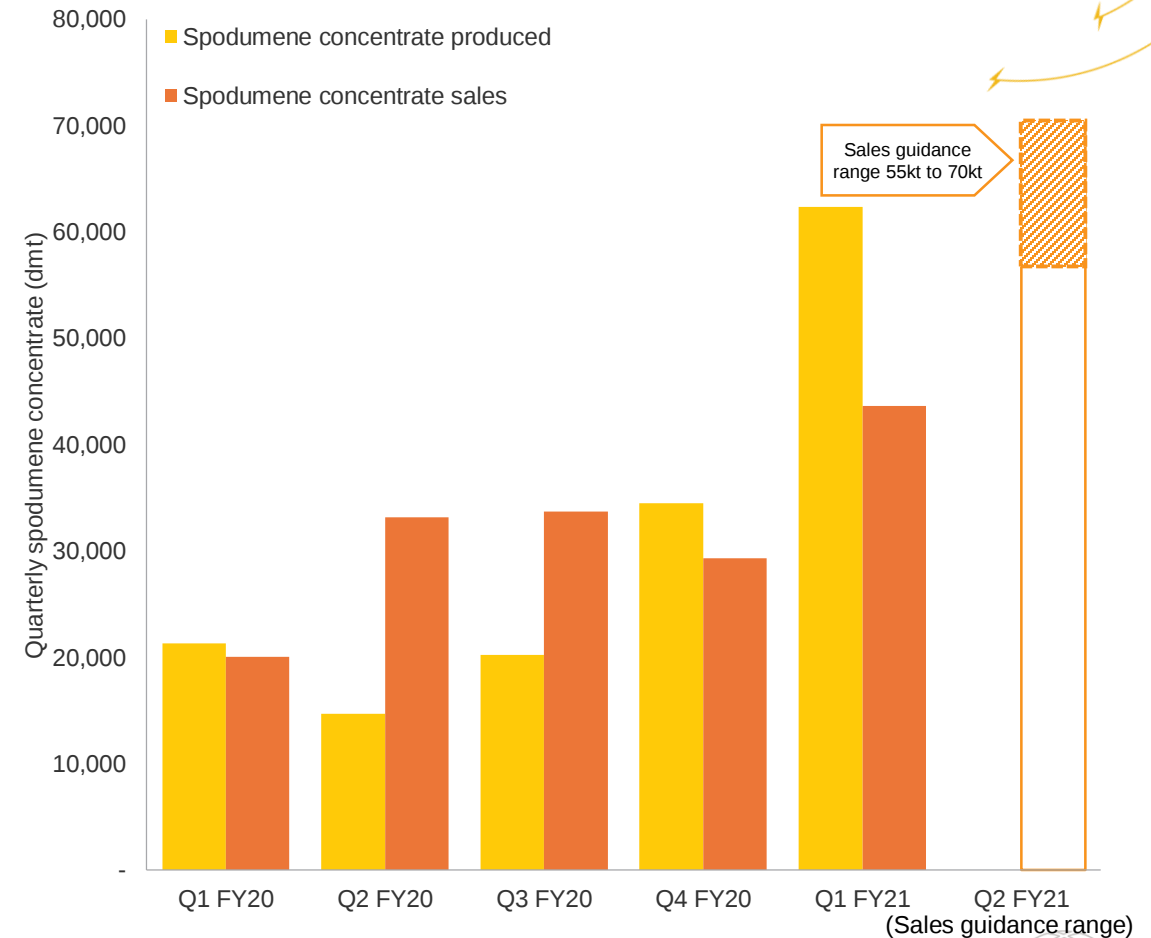
Overview of Pilbara Minerals' Pilgangoora Project

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% Li₂O Ore and 104.6Mt @ 1.26% Li₂O Ore Reserve as at 30 June 2020¹
- Products:
 - ~6% Li₂O 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 costs² – 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



1. 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.

2. 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 Ta₂O₅ 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

		Relative contribution		
Enterprise value (A\$ million) ¹	1,972	89%	11%	236
Contained Li ₂ O Mineral Resource (Mt) ²	2.8	85%	15%	0.5
Capacity (dry kt conc.) ³	330	62%	38%	206

1. 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.

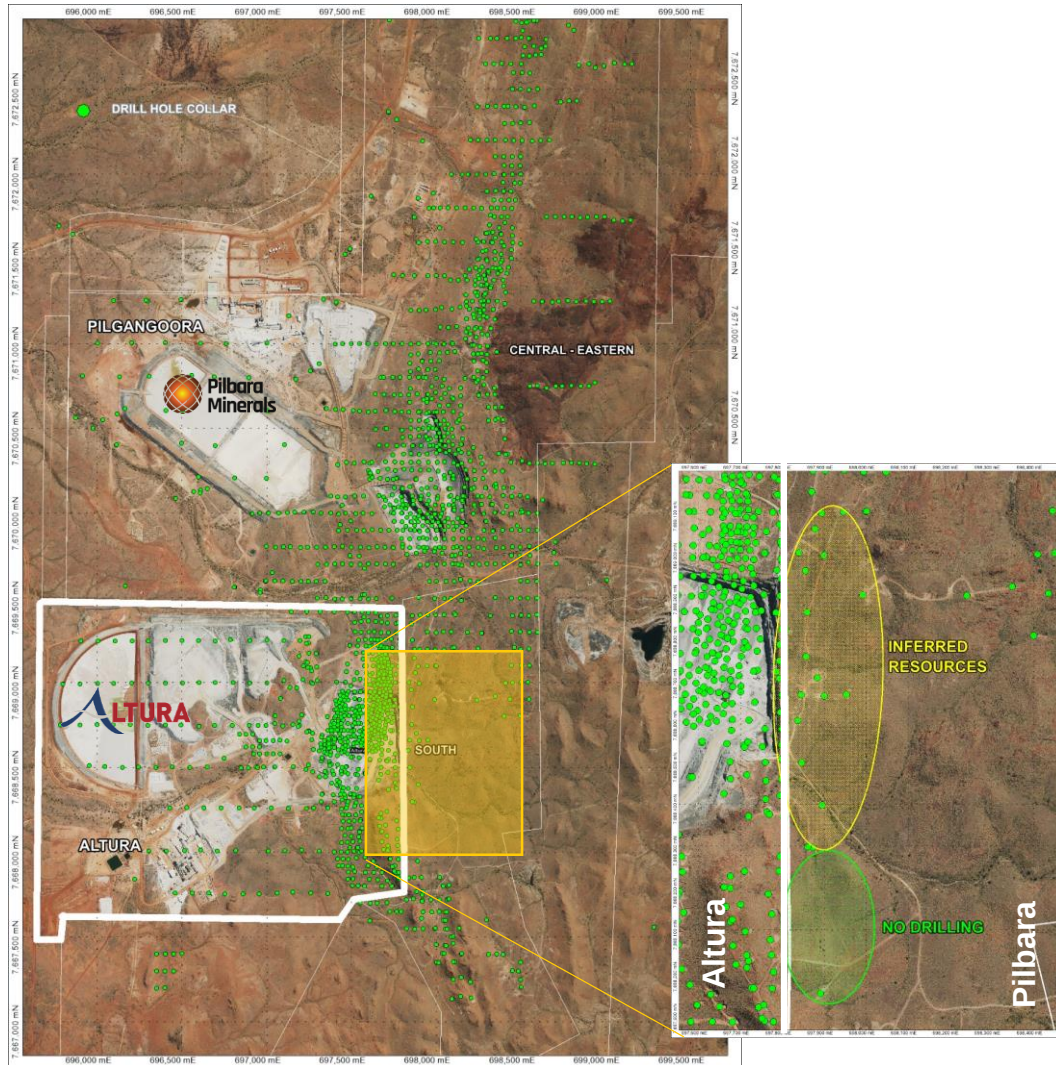
2. Altura's JORC Mineral Resource metrics as announced by Altura to the ASX on 9 October 2019. See the Key risks on page 37, 41 and 42 of this document, including the Key risk entitled 'Estimates of Ore Reserves and Mineral Resources' and 'Reliance on Information Provided' for further information on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

3. 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 219kwtmt 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 potential¹ 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 2020¹
- ✓ 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 million² 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 months³*

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*

1

Option 1: Hold (preservation)

~6 months then re-evaluate³

2

Option 2: Hold and prepare (preservation + plant upgrades³)

Up to 12 months for upgrade (estimates)³

3

Option 3: Operate (operation + progressive plant upgrades³)

Up to 6 months to return to previous run-rate³

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 ¹	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
Targeted saving from Pilgangoora Project synergies	3.0 – 5.0

Altura Project ¹	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
Targeted saving from Altura Project synergies	15.0 – 22.0
Targeted consolidated savings from total synergies	18.0 – 27.0



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

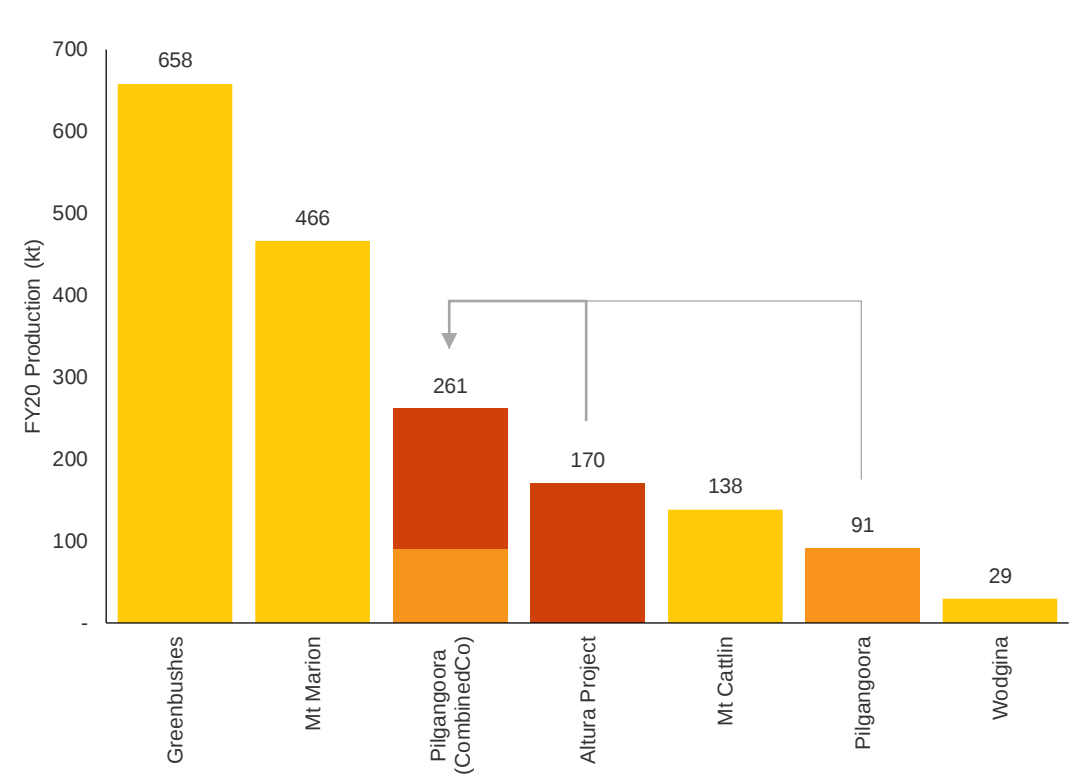
- Acquisition following a DOCA delivers a “clean” company without pre-administration contracts going forward, enabling rationalisation of duplicated services and maximum flexibility

1. 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.

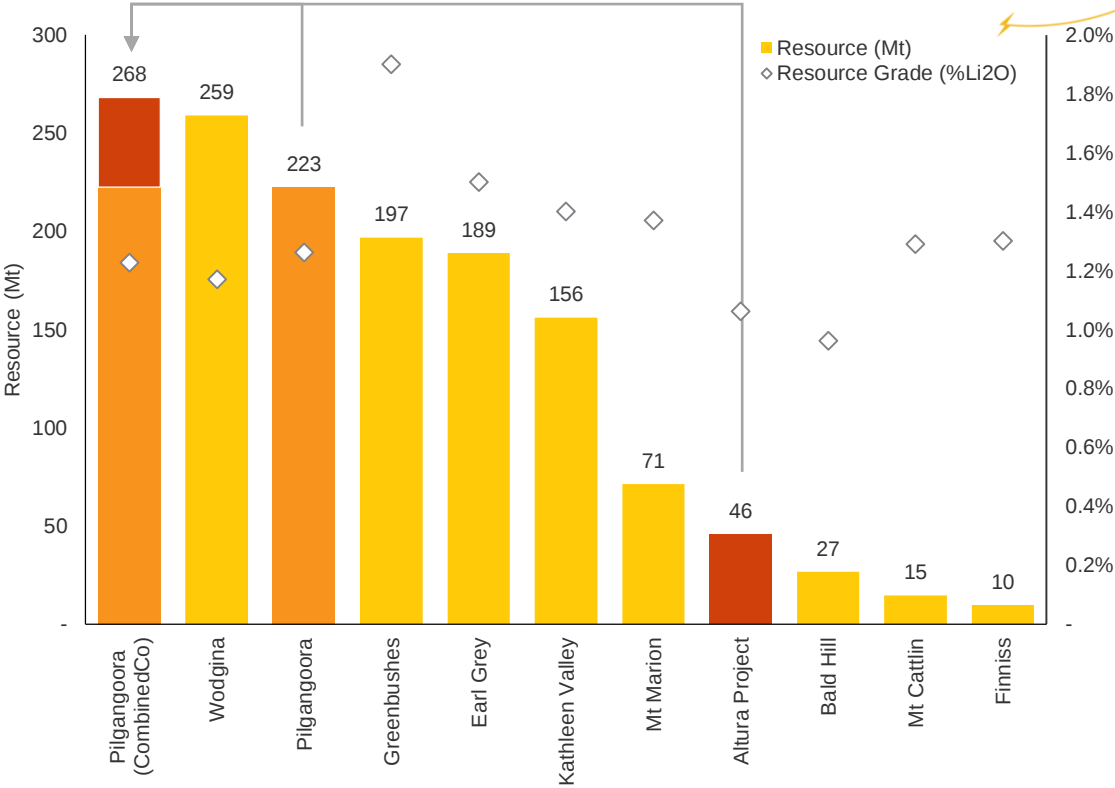
Proforma metrics

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 concentrate¹)



Mineral Resource & Resource grade^{2,3}



Source: Public company announcements.

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

2. 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.

3. 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

Committed equity funding	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
Equity Raising structure	- A\$240 million Equity Raising comprises: ~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 ~A\$121 million 1 for 7.6 fully underwritten Entitlement Offer launching today which will result in the issue of approximately 337 million shares
Offer Price	- The Entitlement Offer is being offered at a fixed price of A\$0.36 per New Share - 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 - 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)
Key dates	11 December 2020: Signing of the Pilbara Minerals sponsored DOCA 14 December 2020: Allotment of shares issued under the Placement 14 December 2020: Institutional Entitlement Offer opens 16 December 2020: Record date for Retail Entitlement Offer 18 December 2020: Retail Entitlement Offer opens 23 December 2020: Allotment and trading of share under the Institutional Entitlement Offer 11 January 2020: Retail Entitlement Offer closes 18 January 2020: Allotment and trading of shares issued under the Retail Entitlement Offer - Late January 2020: Completion under the Share Sale Agreement - Refer to page 24 for further detail
Ranking	New shares issued under the Equity Raising will rank equally with existing fully paid Pilbara Minerals shares on issue
Advisers	- Macquarie Capital (Australia) Limited is acting as Sole Lead Manager, Underwriter, Bookrunner and Financial Adviser to Pilbara Minerals - Allen & Overy are acting as Legal Adviser to Pilbara Minerals

Sources and uses

Acquisition to be funded via the Equity Raising

Sources of Funds	A\$ million
Placement	119
Entitlement Offer	121
Total Sources	240

Uses of Funds	A\$ million
Purchase consideration ¹	208
Transaction costs ²	28
Cash	4
Total Uses	240

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 ³	Pro-forma Pilbara Minerals
Cash	A\$ million	92 ¹	4	96
Borrowings ²	A\$ million	149	-	149
Net debt (Cash)	A\$ million	56	(4)	52
Shares outstanding ⁴	# million	2,228	667	2,895
Share price / offer price / theoretical ex-rights price ("TERP") ⁵	A\$/share	0.86	0.36	0.74
Enterprise value⁶	A\$ million	1,972	236	2,209

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 ^{1,2}
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

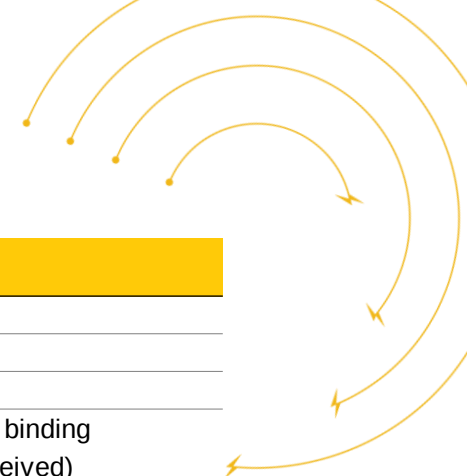
Appendices

A. Summary of key agreements

B. Investment risks

C. Foreign selling restrictions

Summary of Subscription Agreements



	RCF Subscription Agreement	AustralianSuper Subscription Agreement
	Approximately A\$61.4 million	Approximately A\$57.5 million
Subscription Shares	170.5 million shares	159.7 million shares
Subscription Price	A\$0.36 per Share	A\$0.36 per Share
Conditions Precedent	- FIRB approval – conditional on RCF being able to rely on FIRB exemption certificate that it already holds (now satisfied) - Altura Project Acquisition – Pilbara Minerals securing a binding agreement for the acquisition of Altura Project (now received)	Altura Project Acquisition – Pilbara Minerals securing a binding agreement for the acquisition of Altura Project (now received)
Completion timing	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	
Rights Issue undertaking	The Subscriber undertakes to subscribe for its entitlement under the proposed Entitlement Offer	
Sub-underwriting undertaking	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
Entitlement under the Placement	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	
Board Rights	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
Information and access rights	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
Equity participation right and standstill	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
Warranties	Customary representations and warranties for the transactions contemplated	

Summary of the Share Sale Agreement

Share Sale Agreement

Overview	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.
Purchase Price	Purchase price equivalent to US\$175 million, comprising: - a cash component of US\$155 million, payable on completion of the SSA; and - 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”). Subject to adjustments to the deferred consideration amount, the purchase price is not subject to any post completion adjustments.
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 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.
Conditions Precedent	The sale is conditional upon: - Pilbara Minerals completing the Offer to raise in aggregate a total of at least A\$240 million; and - the approval and effectuation of the Deed of Company Arrangement in respect of Altura Lithium Operations Pty Ltd.
Completion	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.
Pre-completion conduct	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.
Termination	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.
Other material terms	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

Overview	Pilbara Minerals has entered into the DOCA with ALO and the Administrators which provides a compromise in respect of the claims of ALO's creditors and allows Pilbara to acquire ALO by way of an administration process.
Key features of the DOCA	The following are key terms of the DOCA: - the Deed Administrators will remove the existing ALO directors and appoint new directors nominated by Pilbara Minerals; - upon effectuation of the DOCA, control of ALO will be provided to the newly appointed directors; - Pilbara Minerals will contribute an initial contribution of A\$500,000 on execution of the DOCA and contribute a further A\$5,500,000 (together, the Deed Fund) into a creditors trust on effectuation of the DOCA for payment of the Administrators' fees and expenses and for the purposes of paying employee entitlements and providing a dividend to the unsecured creditors of ALO; - the Receivers will contribute to the Deed Fund any surplus cash, proceeds of sales of stockpiles and shipments of product from the Altura Project, after payment of any amounts owing to Pilbara Minerals under its loan agreement provided to the Receivers and outstanding remuneration, costs and expenses of the Receivers and Administrators; - no other property of ALO will be available to pay creditors; - the DOCA will not bind the Loan Note Holders even if the Loan Note Holders vote in favour of the DOCA (and will not bind any other secured creditors in respect of their security unless they vote in favour of the DOCA); - a moratorium on enforcement of claims against ALO including any continuing applications or commencing enforcement processes in relation to the property of ALO, against creditors, officers or members of ALO bound by the DOCA; - entitlements of ALO employees are expected to be paid in full; - upon creation of the creditors' trust, unless otherwise agreed, all claims against ALO including in respect of pre-administration contracts will be released; and - on effectuation of the DOCA and completion under the Share Sale Agreement, the shares in ALO will transfer to Pilbara Minerals and the balance of the Deed Fund will transfer to the Creditors' Trust for payment of creditor claims.
Conditions Precedent	The effectuation of the DOCA is conditional upon: - receipt by Pilbara Minerals of confirmation from the Deed Administrators and the Receivers that all pre-administration contracts (except for some excluded contracts) have been terminated or otherwise that the counterparties to those contracts have been notified that ALO will cease to comply with, and will not perform its obligations under the pre-administration contracts and treat them at an end; and - completion of the Equity Raising.
Completion	Upon satisfaction of the Conditions Precedent set out above, completion and effectuation of the DOCA will occur at the same time as completion under the Share Sale Agreement. Completion under the DOCA is interdependent with completion under the Share Sale Agreement. Upon completion and effectuation of the DOCA, all claims against ALO including in respect of pre-administration contracts (unless otherwise excluded) are released and extinguished in full.
Termination	The DOCA will terminate (otherwise than upon effectuation in accordance with its terms) where: (1) completion of the DOCA does not occur, (2) the court makes an order under section 445D of the Corporations Act, and (3) where creditors resolve so at a meeting.

Summary of the Creditors' Trust Deed

Creditors' Trust Deed	
Overview	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.
Trustee Powers and Creditor Oversight	The Trustees of the Creditors' Trust become solely responsible to the former creditors of ALO (now beneficiaries under the Creditors' Trust Deed) for: • Ensuring ALO performs its payment and other obligations to the Trustees; • Determining the amounts to be distributed to each beneficiary; • Make those distributions to beneficiaries from time to time; • Administer the trust property (being the balance of the DOCA Deed Fund); • To compromise any debt or claim on such terms as the Trustee sees fit; and • To do anything else that is necessary or convenient for administering the Creditors Trust.
Key features of the Creditors' Trust Deed	The following are key terms of the Creditors' Trust Deed: • 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; • The priority of payment of the Trust Fund is: • First – to employees of ALO who are owed outstanding employee entitlements; • Second - to the Administrators', Deed Administrators' and Trustees' remuneration (capped at A\$200K plus GST for the Trustees') and expenses; • 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); • Fourth – to unsecured creditors with an admitted claim greater than A\$25,000; and • 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; • 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; • The Trustees have full and unrestricted access to the records of ALO in order to determine claims of creditors and adjudicate them; and • 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).
Estimated return under the Creditors' Trust Deed	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.
Termination	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

Overview	Pilbara Minerals entered into an underwriting agreement with Macquarie Capital (Australia) Limited (" Underwriter ") in respect of the Entitlement Offer on 14 December 2020 (" Underwriting Agreement ") 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 (" Sub-Underwriters ").
Underwritten Amount	Approximately A\$121 million.
Fees	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.
Underwriters Obligations	The Underwriter's obligations under the Underwriting Agreement, including to underwrite and manage the Entitlement Offer, are conditional on certain matters, including: • Completion and receipt of the management due diligence questionnaire; • the Underwriter's receipt of the signed due diligence report by 8:00am on the Announcement Date; • the relevant offer materials being released to ASX when required under the timetable for the Entitlement Offer; • 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 • 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. 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.

Summary of the Underwriting Agreement

Underwriting Agreement

Termination Events

The events which may trigger termination of the Underwriting Agreement include the following:

- **breach of sub-underwriting agreement** – 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;
- **unable to proceed** – 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;
- **change to the company** – the Company alters its capital structure or varies any term of its constitution without prior written consent of the Underwriter;
- **withdrawal or new circumstance** – 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;
- **Timetable** – any event specified in the Offer timetable is delayed for more than 5 Business Days without the prior written approval of the Underwriter; and
- **regulatory action** – 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.

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:

- **breach** – 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;
- **adverse change** – the Company or Underwriter becomes aware of any existing circumstances or a change which could have an adverse effect on the Company;
- **change in management;**
- **Debt Facility** – any debt facility is withdrawn, reviewed or challenged; and
- hostilities, changes in law, moratoriums – 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.

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.

Representations and warranties

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.

Shortfall

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

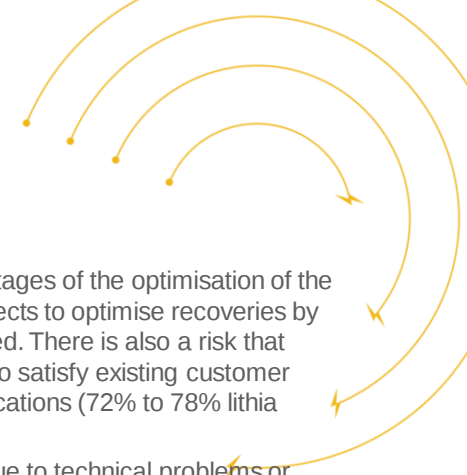
Appendices

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

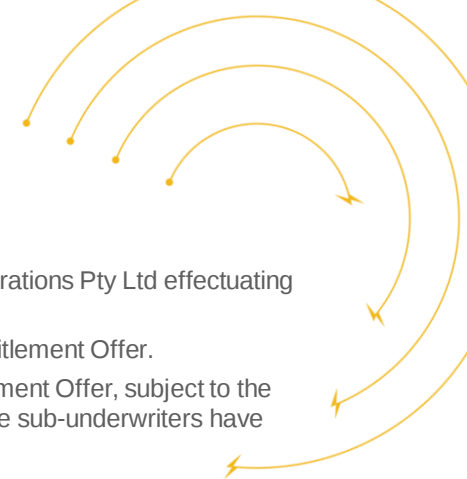
Deed of Company Arrangement

- 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:

- (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation;
- (b) 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
- (c) 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:

- (a) 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
- (b) 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.



Pilbara Minerals

...Powering a sustainable energy future

ASX: PLS

pilbaraminerals.com.au

Follow us on

