



ASX/Media Announcement

Tuesday, 3 April 2018

POSCO EQUITY INVESTMENT SUCCESSFULLY COMPLETED

Pilbara Minerals welcomes POSCO as a significant shareholder following completion of ~A\$80M direct equity investment to accelerate Pilgangoora Stage 2 development

Highlights

- Equity Subscription Agreement successfully completes with POSCO, via a direct equity investment at A\$0.97/share in Pilbara Minerals, with proceeds to contribute towards accelerating the Stage 2 (5Mtpa) Pilgangoora expansion.
- POSCO's equity investment is part of a broader agreement struck in February 2018 (see ASX announcement, 28 February 2018), establishing a long-term strategic offtake and joint venture relationship between the companies and securing first-mover position for Pilbara Minerals in the fast-growing South Korean lithium raw materials market.
- Includes binding life-of-mine Off-take Agreement with POSCO for initial 80,000tpa of chemical grade spodumene concentrate (SC6.0 basis) from the Pilgangoora Stage 2 (5Mtpa) project, increasing to 240,000tpa upon Pilbara's joint venture participation in a downstream 30,000tpa lithium carbonate/lithium hydroxide conversion plant in South Korea.
- Feasibility studies for the Pilgangoora Stage 2 expansion continue with a resource upgrade expected in the coming weeks, further underpinning the strong project economics demonstrated by the previously published Pilgangoora Stage 2 PFS (Feb 2018).
- Work progressing towards the completion of a feasibility study to support the joint development (and subsequent operation) of the downstream chemical facility in South Korea, including agreement of joint venture terms based on key commercial principles already agreed with POSCO.
- Mine development and processing facilities for Stage 1 of the Pilgangoora Project remain on track for first concentrate in June 2018.

Australian lithium developer, Pilbara Minerals Limited (ASX: PLS) ("**Pilbara**" or "**the Company**"), is pleased to announce that the first step in its broad-based strategic relationship with leading South Korean industrial conglomerate POSCO has completed, with the Company welcoming POSCO as a 4.75% shareholder in the Company following receipt of funds totalling A\$79.6M.

The equity funds received will support the planned A\$207M expansion of Stage 2 of the Pilgangoora Project to 5Mtpa, when combined with expected funding co-commitments to access additional Stage 2 concentrate tonnes from existing strategic customers, Ganfeng (A\$65M) and Great Wall Motor Company (\$US50M). The previously announced landmark agreements with POSCO (28 February, 2018), encompass Stage 2 offtake, additional funding on attractive terms for the Company's downstream joint venture participation in the form of a convertible bond facility and the proposed near-term joint development of a chemical conversion facility in South Korea.

The relationship is significant for both POSCO and Pilbara. For POSCO, it represents the first direct investment by a South Korean manufacturer of lithium-ion battery materials into an upstream supplier of spodumene concentrate, facilitating the further commercialisation of its proven PosLX extraction technology which manufactures very high-grade lithium hydroxide (or lithium carbonate) for the battery industry from hard rock spodumene concentrate.

For Pilbara Minerals, the relationship marks an important strategic expansion into North Asia, diversifying its customer base outside of the Chinese market and further expanding its global network of Tier-1 strategic partners to support its growth objectives to become a leading global supplier of lithium raw materials.

Pilbara Minerals Limited

“We welcome POSCO as a strategic investor in Pilbara Minerals and look forward to a mutually beneficial relationship over many decades to come. Like many of the more important players in the lithium raw materials industry, POSCO has recognised the important part that hard rock spodumene has to play as a feedstock to the battery materials industry for its continuous quality, stability of supply, low jurisdictional risk and ultimately low-cost of production, especially to Battery Grade hydroxide products,” said Ken Brinsden, Pilbara Minerals Managing Director and CEO.

For further information about the strategic relationship and the transactions entered into with POSCO – including the Stage 2 offtake agreement, a \$79.6 million convertible bond facility and the key commercial principles of the proposed downstream joint venture for a lithium hydroxide/lithium carbonate conversion facility, please refer to the Company’s ASX release dated 28 February 2018.

Additional Information:

ABOUT PILBARA MINERALS

Pilbara Minerals (“Pilbara” – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration and development of the specialty metals Lithium and Tantalum. Pilbara owns 100% of the world class Pilgangoora Lithium-Tantalum project which is among the largest Spodumene (Lithium Aluminium Silicate) projects in the world. Pilgangoora is also one of the largest pegmatite hosted Tantalite resources in the world and Pilbara proposes to produce Tantalite as a by-product of its Spodumene production.

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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