

ASX / MEDIA ANNOUNCEMENT

5 September 2019

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Pilbara Minerals successfully completes A\$36.5m Institutional Placement

HIGHLIGHTS

- Pilbara Minerals is pleased to announce the successful completion of a A\$36.5 million Institutional Placement
- The Institutional Placement was heavily oversubscribed, supported by existing shareholders and a number of new institutional investors
- The Institutional Placement will be followed by a A\$55.0 million strategic placement to CATL, equating to an 8.5%¹ ownership interest.
- CATL is China's largest battery manufacturer for electric vehicles and has strong existing relationships with leading global EV manufacturers, including Toyota, BMW, Volkswagen and Honda
- A Share Purchase Plan (SPP) will shortly be offered to eligible shareholders to raise up to an additional A\$20.0 million
- Equity raising strengthens the Company's balance sheet and provides increased working capital during the remaining ramp-up of the Pilgangoora operation to nameplate capacity, as well as funds Pilbara Minerals' participation in the proposed POSCO Downstream JV chemical conversion plant, Stage 1 improvement projects and Stage 2 expansion studies

Pilbara Minerals Limited ("**Pilbara Minerals**" or the "**Company**") (ASX: PLS) has closed the institutional component of its A\$91.5 million equity raising having successfully raised a total of A\$36.5 million from institutional and sophisticated investors ("**Institutional Placement**"). As announced to ASX on Wednesday, 4 September 2019, the Institutional Placement will be followed by a strategic placement of A\$55.0 million to the leading Chinese battery manufacturer for electric vehicles, Contemporary Amperex Technology (SZSE: 300750) ("**CATL**") ("**CATL Placement**") (with the Institutional Placement and the CATL Placement collectively comprising the "**Placement**").

The Institutional Placement was heavily oversubscribed and strongly supported by both existing shareholders and new investors with several new large institutions to be introduced to the Pilbara Minerals share register.

Approximately 121.7 million new Pilbara Minerals ordinary shares are to be issued under the Institutional Placement at a price of A\$0.30 per share ("**Placement Price**").

In addition to the Placement, an SPP is expected to raise up to an additional A\$20.0 million which will be offered to existing eligible shareholders shortly.

Pilbara Minerals' Managing Director, Ken Brinsden commented on the Institutional Placement:

"We are extremely pleased to have received overwhelming demand for the Institutional Placement, including from our existing shareholder base. We welcome high quality new institutional investors onto our share register and are looking forward to welcoming our new investor CATL to our register and developing our strategic

¹ Subject to CATL Placement conditions being satisfied. Percentage holding excludes those shares issued under the SPP which may reduce CATL's holding to approximately 8.2%.

relationship following completion of the CATL Placement.

The raising will provide Pilbara Minerals' with significantly enhanced financial and strategic flexibility as we enter an important growth phase, including completing the ramp up our Pilgangoora operation to meet the expected increased demand for lithium raw material and funding our participation in the POSCO Downstream JV conversion plant."

CATL PLACEMENT

As previously announced, the CATL Placement will be settled in two tranches, split according to the relevant approval conditions:

- **Tranche 1** for A\$20.0 million will be issued under Pilbara Minerals' placement capacity under ASX Listing Rule 7.1 upon receipt of customary regulatory approvals from the People's Republic of China ("**PRC Approvals**") ("**Tranche 1**").
- **Tranche 2** for A\$35.0 million will be issued following PRC Approvals and Pilbara Minerals' shareholder approval ("**Tranche 2**").

CATL expects PRC Approvals to be received within approximately 6 weeks. A general meeting of shareholders is expected to be held in early October.

A A\$5.0 million deposit has been transferred by CATL, demonstrating CATL's commitment to the CATL Placement and their confidence in closing the transaction.

SHARE PURCHASE PLAN DETAILS

The SPP is expected to be open to eligible Pilbara Minerals' shareholders as at 7.00pm (Sydney time) on the record date of Tuesday 3 September 2019 ("**Record Date**")² and whose registered address is in Australia or New Zealand ("**Eligible Holders**"). Eligible Holders will be invited to invest up to a maximum of A\$30,000 per shareholder in the SPP, subject to any scale back and an overall cap of A\$20.0 million (or approximately 66.7 million shares).

New shares issued under the SPP will be offered at a price that is the lower of:

- the Placement Price (being A\$0.30 per share); and
- a 1.0% discount to the VWAP³ of Pilbara shares traded during the five ASX trading days immediately prior to and including the SPP closing date.

No brokerage will be payable by subscribing shareholders.

Further details on the SPP and an SPP offer booklet will be distributed to Eligible Holders shortly and released on the ASX.

Following the release of this announcement, the Company requests that trading in its securities be reinstated.

² This date is indicative and may be subject to change.

³ Volume weighted average price

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ABOUT PILBARA MINERALS

Pilbara Minerals Limited (Pilbara Minerals – ASX: PLS) is a mining company listed on the ASX, specialising in the exploration and development of the specialty metals lithium and tantalum. Pilbara Minerals owns 100% of the world class Pilgangoora Lithium-Tantalum project which is one of the world's premier lithium development projects. Pilgangoora is also one of the largest pegmatite hosted tantalite resources in the world and Pilbara Minerals produces a tantalite by-product of its spodumene production.

ABOUT CATL

Contemporary Amperex Technology Limited (CATL – SZSE: 300750) is a world-leading developer, manufacturer and distributor of lithium-ion battery systems for hybrid and electric vehicles as well as energy storage systems. CATL is listed on the Shenzhen stock exchange with a market capitalisation of US\$22bn and in 2018 generated revenue of approximately A\$6bn. CATL is headquartered in Ningde, China and its global operations include three manufacturing facilities in China, two main R&D centres in China and Germany, and offices in mainland China, Tokyo, Hong Kong, Paris, Berlin, Munich and the United States. CATL employs more than 24,000 people worldwide, including 4,000 highly qualified R&D specialists.

ABOUT LITHIUM

Lithium is a soft silvery white metal which is highly reactive and does not occur in nature in its elemental form. It has the highest electrochemical potential of all metals, a key property in its role in lithium-ion batteries. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. A key growth area is its use in lithium batteries as a power source for a wide range of applications including consumer electronics, power station-domestic-industrial storage, electric vehicles, power tools and almost every application where electricity is currently supplied by fossil fuels.

ABOUT TANTALUM

The tantalum market is boutique in size with total global demand of approximately 1,700 tonnes of tantalum metal per year. Tantalum is primarily used in the electronics industry in the manufacture of capacitors for high-end applications like telecommunications and data storage. It is also used in semiconductors, engine turbine blades and medical implants. As well as providing ductility, toughness, corrosion resistance, thermal conductivity and heat resistance to various other applications.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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

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

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