



ASX/Media Announcement

10 November 2017

PILBARA SIGNS MOU FOR POTENTIAL SOUTH KOREAN DOWNSTREAM PROCESSING FACILITY

- **Pilbara Minerals is in non-binding discussions in relation to the formation of a potential joint venture ('Lithium Korea') with Polaris Shipping and LG Chem for the development of chemical conversion facilities supplying up to 30,000 tonnes of Lithium Hydroxide to the South Korean lithium-ion battery industry.**
- **Lithium Korea is a special-purpose corporation incorporated by Polaris Shipping, envisaging, subject to further discussion, the participation of both Pilbara Minerals and leading South Korean conglomerate LG Chem (a key end-user of lithium chemicals) within the Chemicals JV.**
- **Pilbara Minerals has signed a preliminary non-binding Memorandum of Understanding (MoU) with Polaris Shipping to initiate further discussions in relation to its JV participation in the chemical facilities, raw material supply agreements and product off-take agreements respectively.**

Australian lithium developer, Pilbara Minerals Limited (ASX: PLS) ("**Pilbara Minerals**" or "**the Company**") is pleased to announce that it has signed a non-binding MoU with Polaris Shipping to commence preliminary discussions with Polaris Shipping and LG Chem in relation to a potential joint venture for a downstream lithium chemical conversion facility servicing South Korea's rapidly growing lithium-ion battery industry.

Polaris Shipping has recently announced that it has also signed a Memorandum of Understanding with the Saemangeum Development and Investment Agency (SDIA) in support of the Lithium Korea chemicals development. SDIA is the lead government agency for the Saemangeum Industrial Complex, the proposed location of the downstream Lithium Chemicals Facility.

While discussions are at an early stage, the Company looks forward to the opportunity of continuing further discussions with Polaris Shipping and LG Chem, which may lead to commercial terms being agreed and a formal joint venture being established for the downstream project.

Pilbara Minerals' Managing Director and CEO, Mr Ken Brinsden said the MOU presented an opportunity for Pilbara's participation in one of the world's most exciting and fastest growing markets for lithium raw materials outside of China.

"South Korea is a major global economic and industrial power with a very large and rapidly growing high-technology industrial complex and automotive industry. Discussions like these present an opportunity to work alongside two of South Korea's leading conglomerates to participate in the development of a world-leading downstream lithium chemicals facility servicing the rapidly growing lithium-ion battery industry in South Korea," he said.

"This is consistent with our broader objective as a company to participate in downstream chemical facilities where this makes sense for us as an upstream supplier of spodumene concentrates, and to diversify our global sales arrangements. "Given the scale of the existing Resource and Reserve at Pilgangoora – and the potential to continue to grow it with ongoing drilling – we have plenty of capacity to support both our existing customers in China and new customers elsewhere. It's fair to say that Korean lithium raw material demand is now well and truly on the radar," Mr Brinsden added.

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.

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.

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