

## **PILBARA MINERALS ANNOUNCES BOARD APPROVAL FOR PILGANGOORA STAGE 2 EXPANSION**

Final Investment Decision (FID) paves way for the continued expansion of the Pilgangoora Lithium-Tantalum Project, with production capacity set to grow beyond 800ktpa of high quality spodumene concentrate

### **HIGHLIGHTS**

- The Pilbara Minerals' Board has resolved to approve the Stage 2 expansion of the Pilgangoora Lithium-Tantalum Project subject to securing necessary approvals and the balance of project funding.
- Major site works will commence following completion of the balance of the Pilgangoora Lithium-Tantalum Project's financing and receipt of final environmental approvals.
- 100% of Stage 2 offtake is already placed with high-quality customers POSCO, Ganfeng Lithium and Great Wall Motor Company.
- Stage 2 long-lead equipment orders and detailed engineering now underway.
- Ramp-up of Stage 1 production and plant optimisation continues as planned.
- Further confirmation of high-quality products shipped with 6.3% Li<sub>2</sub>O in the second vessel.

Australian lithium producer Pilbara Minerals Limited (ASX: PLS) ("Pilbara" or "the Company") is pleased to advise the Company's Board has endorsed the continued expansion of its 100%-owned Pilgangoora Lithium-Tantalum Project (Pilgangoora Project) in Western Australia's Pilbara region.

The Final Investment Decision (FID) for the Stage 2 expansion to 5Mtpa is subject to obtaining necessary regulatory approvals and securing the balance of project funding. It follows the successful completion of the Definitive Feasibility Study (*see ASX release of 3 August 2018*), 100% of the Stage 2 offtake being sold to high-quality customers and general support from the customer base to continue to expand the Pilgangoora Project's operations.

Pilbara Minerals continues to make progress with a number of funding alternatives for Stage 2, including debt and/or offtake prepayment funding from customers linked to accessing Stage 2 product (as previously foreshadowed and contemplated under existing offtake agreements) as well as other alternate finance structures.

The balance of the financing is the subject of continuing engagement with both bondholders for their consent and the offtake counterparties and is targeted to be finalised during the current quarter.

Stage 2 project works are continuing with the Company having already placed some long-lead orders for major equipment to allow it to meet its objective of commissioning Stage 2 from the December quarter, 2019. Further long-lead equipment orders are expected to be placed in the coming weeks. The detailed engineering for Stage 2 is also well underway.

As further confirmation of Pilbara Minerals' continued success with the Stage 1 development, the Company's second shipment of spodumene concentrate departed Port Hedland in the second half of October with 6.3%

Li<sub>2</sub>O onboard. Production from the Stage 1 Pilgangoora Project continues as planned, with the Company making good progress in the continued ramp-up and optimisation of production.

Pilbara Minerals' Managing Director, Mr Ken Brinsden, said: *"Pilbara Minerals has established a track record of getting things done – developing at scale, successfully executing a rapid build and ramp-up of the Stage 1 project and confirming our ability to deliver high-quality products to our customers. These achievements and more have allowed us to attract and grow production with premium customers in the global lithium-ion supply chain.*

*"Against a backdrop of significant demand growth for lithium raw materials over the coming decade, the quality and scale of the resource at our Pilgangoora Project demands further expansion. This will ensure it becomes a mainstay in the next generation of large-scale, low-cost mines to support the significant growth in downstream lithium hydroxide capacity.*

*"In much the same way as we got on with the job in Stage 1, we will work to the same tune in Stage 2," Mr Brinsden added.*

## **MORE INFORMATION**

### **About Pilbara Minerals**

Pilbara Minerals (Pilbara Minerals – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration, development and production 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 proposes to produce tantalite as a by-product of its spodumene production.

### **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 primary tantalum market consumes approximately 2,100 tonnes each year. The primary use is in capacitors for consumer electronics, particularly where long battery life and high performance is required such as smart phones, tablets and laptops. Further growth in the tantalum market is being driven by its application in high-speed data networks and new products development including: powders for additive manufacturing, foams for medical implants and catalytic chemicals.

### **Contacts:**

#### Investors / shareholders

Ken Brinsden  
Managing Director and CEO  
Ph. +61 (0)8 6266 6266

#### Media

Nicholas Read  
Read Corporate  
Ph. +61 (0)8 9388 1474

### **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.