

Payment of Deferred Consideration for ALO Acquisition

AGREEMENT REACHED WITH FORMER ALTURA LOAN NOTEHOLDERS TO PAY OUT DEFERRED CONSIDERATION IN SHARES

KEY POINTS

- Agreement reached to conclude the final payment of outstanding deferred consideration to the former Altura Loan Noteholders, which was payable in cash or shares at Pilbara Minerals' election any time before 20 January 2022 as part of the Altura Lithium Project acquisition.
- Pilbara Minerals has agreed to pay in shares with a negotiated ~5% reduction in the number of shares.
- Shares will be issued in two equal tranches – the first within the next five business days in accordance with Listing Rule 7.1 and the second subject to approval of shareholders at a general meeting.

Pilbara Minerals Limited (**Pilbara Minerals** or the **Company**; ASX: PLS) is pleased to provide an update to the market regarding the outstanding deferred consideration payable to the Altura Loan Noteholders in respect of the acquisition of the Altura Lithium Project owned by Altura Lithium Operations Pty Ltd (**ALO**).

The acquisition of ALO was successfully completed on 20 January 2021 following an upfront cash payment of US\$155 million. As previously advised in Pilbara Minerals' ASX releases, including the ASX releases dated 1 December 2020 and 20 January 2021, a further amount of deferred consideration representing approximately 69 million shares (or its cash equivalent) remained payable to the Altura Loan Noteholders in either cash or shares (at Pilbara Minerals' election) at any time prior to the 12-month maturity date, being 20 January 2022.

A variation deed has now been executed with the Altura Loan Noteholders that provides for a discount to the number of shares to be issued to complete the deferred consideration early. As a result, 65,340,902 shares (representing a ~5% discount, or approximately 3.5 million less shares than the original amount) will be issued in two equal tranches as final settlement of the deferred consideration.

The first tranche will be issued in the next five business days (under Pilbara Minerals' existing Listing Rule 7.1 placement capacity), with the second tranche issued following approval of shareholders at a general meeting to be held in due course.¹

¹ If shareholders do not approve the second tranche of deferred consideration shares, then the ~5% discount and reduced number of deferred consideration shares will not apply and the balance of the deferred consideration will be payable to the Altura Loan Noteholders via the issue of shares (or their cash equivalent at the relevant time) as per the original terms of the deferred consideration arrangements. In such circumstances, the Company will need to issue an additional ~1.75 million shares or pay an equivalent amount in cash to the Altura Loan Noteholders on or before the maturity date of 20 January 2021.

The successful acquisition of the former Altura Lithium Project, now referred to as the Ngungaju (pronounced - 'nuh-ga-ju') Operation, is expected to be successfully consolidated with Pilbara Minerals' existing Pilgangoora Project (now the Pilgan Plant). Combined with the recent success of its inaugural Battery Material Exchange (BMX) Platform product auction, the Company is now focused on the restart of the Ngungaju Plant as soon as possible with works progressing well.

Release authorised by Ken Brinsden, Pilbara Minerals Limited's Managing Director.

CONTACTS

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