



ASX/Media Announcement

15 March 2018

SUCCESSFUL FIRST DRAW-DOWN FROM US\$100M SENIOR SECURED BOND ISSUE AS PILGANGOORA ADVANCES RAPIDLY

First draw-down marks another significant milestone with the proceeds to fund the completion of construction, plant commissioning and first production from the Pilgangoora Project

Highlights

- First draw-down completed under the fully subscribed US\$100M senior secured bond issue completed in June 2017, following satisfaction of all conditions including a cost-to-complete test. The first draw-down represents ~50% of the total bond proceeds.
- The bond was well supported by a combination of large Australian and international funds, as well as the Australian Government body, the Clean Energy Finance Corporation (CEFC).
- The Pilgangoora Lithium-Tantalum Project remains on schedule with first spodumene concentrate expected during June 2018.
- Stage 1 plant construction and mine development continues to advance rapidly. Direct shipping ore (DSO) operations are also now underway, with first sales expected in early Q2 2018.

Australian lithium developer, Pilbara Minerals Limited (ASX: PLS) (“Pilbara Minerals” or “the Company”), is pleased to announce that it has satisfied all conditions required to draw-down the proceeds from its US\$100 million senior secured bond issue, marking another milestone in the development of its flagship 100%-owned **Pilgangoora Lithium-Tantalum Project** (“Pilgangoora Project”) in Western Australia’s Pilbara region.

Pilbara Minerals is pleased to advise that it has completed the first draw-down under the bond for approximately 50% of the total US\$100 million bond issue, having satisfied all conditions including a customary cost-to-complete test and project equity having been fully spent on the Pilgangoora Project. All proceeds from the drawdown will be applied towards project construction and plant commissioning costs.

Commenting on the first draw-down, Pilbara Minerals’ Managing Director, Ken Brinsden, said:

“This is another significant milestone for the development of the Pilgangoora Lithium-Tantalum Project as we continue to advance rapidly towards project commissioning and the start of production next quarter.

“The bond proceeds provide all of the funding now required for the completion of construction, plant commissioning and first production at Stage 1 of Pilgangoora, ensuring that we remain on track to achieve our timeline with the construction and delivery of this world-class project.

“We are looking forward to the start of plant commissioning in Q2 2018 and production of first spodumene concentrate by late Q2 2018.”

With bond proceeds available for drawdown, the Company’s funding requirements for Stage 1 of the Pilgangoora Project are firmly cemented. The Company will now look to complete the Definitive Feasibility Study and progress funding arrangements for the Stage 2 expansion of the Pilgangoora Project. As announced last month (28 February 2018), the Company has entered into a binding share subscription agreement for \$79.6 million (at \$0.97 per share) with its offtake partner POSCO, with these funds able to be applied to the project on an unrestricted basis once received (expected to be 31 March 2017). This equity funding together with expected operating cashflow and the financing co-commitments provided by both Ganfeng and Great Wall to access Stage 2 offtake (total of circa \$130 million) are expected to underpin the overall funding solution to finance the \$207 million capital spend of the Stage 2 expansion of Pilgangoora.

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

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.