



ASX/Media Announcement

30 October 2017

PILBARA COMPLETES LANDMARK EQUITY SUBSCRIPTION, OFF-TAKE AND FUNDING DEAL WITH CHINA'S GREAT WALL MOTOR COMPANY

A\$28M equity subscription completed and off-take agreement signed for 75,000tpa of Stage 2 production with ability to secure a further 75,000tpa on provision of Stage 2 debt funding

- **Off-take Agreement for Stage 2 production from Pilbara's flagship Pilgangoora Lithium-Tantalum Project in Western Australia now finalised with Great Wall Motor Company and its wholly-owned subsidiary, Hong Kong-registered Billion Sunny Development Limited ("Great Wall"), one of China's largest automotive manufacturers.**
- **Great Wall has also completed its A\$28M equity investment in Pilbara Minerals with the proceeds contributing towards completion of Stage 1 of the Pilgangoora Project development and financing of the Stage 2 Definitive Feasibility Study ("Stage 2 DFS"). Following allotment, Great Wall will indirectly own approximately 3.47% of the current issued shares in Pilbara.**
- **Great Wall's off-take comprises 75,000tpa of chemical grade spodumene concentrate (SC6.0 basis) over an initial 5-year term, with the ability to extend for up to a further 10 years via two 5-year options.**
- **Great Wall has the opportunity to secure a further 75,000tpa of Stage 2 off-take, for a total off-take volume of 150,000tpa, by providing Pilbara with US\$50M of debt financing for its Stage 2 expansion, either via a debt or an off-take pre-payment facility.**
- **Off-take pricing is largely consistent with existing off-take agreements, using a market-linked price reference to Battery Grade Lithium Carbonate sold in China to determine spodumene pricing.**
- **Together, the previously announced off-take agreements with General Lithium Corporation and Jiangxi Ganfeng Lithium Co Ltd and Great Wall's Stage 2 off-take agreement, will underpin the Stage 2 expansion of the Pilgangoora Project, while also providing an off-take linked debt financing solution for a significant proportion of the Stage 2 capital requirements.**
- **Following completion of the Stage 2 expansion, Pilbara's targeted total production of chemical grade spodumene concentrate (SC6.0 basis) will exceed 800,000tpa.**

Australian lithium developer Pilbara Minerals Limited (ASX: PLS) ("Pilbara" or "the Company") is pleased to announce that it has finalised a binding off-take agreement and equity subscription with Great Wall Motor Company, one of China's largest automotive manufacturers, to underpin the Stage 2 expansion of its 100%-owned **Pilgangoora Lithium-Tantalum Project** in Western Australia.

The off-take agreement – encompassing 75,000tpa and up to 150,000tpa of Stage 2 chemical grade spodumene concentrate in return for Stage 2 debt financing support, and a \$28 million equity subscription for Pilbara shares, which has now successfully completed – represents the first direct investment by an automobile manufacturer into an Australian upstream supplier of lithium raw materials.

The landmark agreements represent a major endorsement of Pilbara Minerals as an emerging world-class, low-cost supplier of lithium raw materials based on the development of the Pilgangoora deposit, which is one of the world's largest lithium-tantalum hard rock resources with Measured, Indicated and Inferred Resources of 156.3Mt @ 1.25% Li₂O (lithia) and 128ppm Ta₂O₅.

Pilbara Minerals' Managing Director and CEO, Mr Ken Brinsden said the Company is very pleased to have formalised the multi-faceted agreements with Great Wall and welcomes them as a shareholder to the Company. The agreements cement their position as a cornerstone off-take and funding partner for the long-term growth of the Pilgangoora Project beyond the Stage 1 development currently under construction.

“The conclusion of this deal heralds a new age in the lithium-ion raw materials supply chain and is the first of what we anticipate will be a number of direct investments into suppliers of lithium raw materials by end-users and manufacturers. The deal will contribute additional funding towards completion of the Stage 1 development, while at the same time allowing us to pursue a fast-track growth strategy via the Stage 2 expansion.

“Great Wall clearly share our view about the transformational changes occurring in the lithium-ion supply chain globally, and particularly in China, and they are willing to make a significant upfront commitment to guarantee access to quality long-term supply of the critical raw material which they require to support their long-term growth plans. We are looking forward to working closely with them and with all of our other off-takers to deliver both the Stage 1 and Stage 2 projects,” Mr Brinsden said.

Details regarding the key terms of the Equity Subscription Agreement and Stage 2 Offtake Agreement with Great Wall are contained in the ASX announcement dated 28 September 2017.

Pilbara Minerals’ financial adviser for negotiating and completing these arrangements was BurnVoor Corporate Finance.

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.

ABOUT GREAT WALL MOTOR COMPANY

Founded in 1984, Great Wall Motor Company Limited (“Great Wall”), headquartered in Baoding, is China’s largest pickup and sport-utility vehicle manufacturer. The company listed on the Hong Kong Stock Exchange (HK:2333) in 2003 and the Shanghai Stock Exchange (CH:601633) in 2011. With a market capitalisation of US\$15.5Bn, it has over 30 holding subsidiaries, more than 60,000 employees, and four vehicle manufacturing bases.

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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