

# HERBERT SMITH FREEHILLS ADVISES SOUTH KOREA'S POSCO ON INVESTMENT IN AUSTRALIA'S PILBARA MINERALS LIMITED

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News

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Herbert Smith Freehills has advised South Korea's POSCO on its A\$79.6 million cornerstone equity investment in ASX-listed Pilbara Minerals Limited.

The deal involves: a binding life-of-mine offtake agreement for the Pilgangoora lithium project in Western Australia; a convertible bond facility for a further A\$79.6 million equity stake; and terms for a proposed joint venture for a downstream processing facility in South Korea.

The deal represents the first direct investment by a South Korean manufacturer of lithium-ion battery materials into an upstream supplier of spodumene concentrate in Australia.

POSCO is one of South Korea's largest corporate groups. Listed on the Korean Stock Exchange, the company has operations spanning the steel, engineering and construction, trading and battery minerals sectors.

The Herbert Smith Freehills team comprised an international team of lawyers, and was led by partner [Simon Reed](#), senior associate Sevan Gore and solicitor Patrick Corrigan in Perth, with support from senior associate Ken Nam in Seoul.

"As the mining sector returns to growth, this deal supports predictions of increased vertical investment activity as manufacturers look to secure supply chains for raw materials," Mr Reed said. "It also reflects the renewed interest in lithium as a key component in battery solutions for power, vehicles, electronic goods and numerous other industries."

Herbert Smith Freehills has supported POSCO on a number of international investments, including in its equity investment, project financing and offtake from the Roy Hill iron ore project in Western Australia which achieved completion and first shipment in 2015.

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