



MARCH 2021 QUARTERLY ACTIVITIES REPORT

PILGANGOORA PRODUCTION INCREASING, SUPPORTING LOW UNIT COSTS AS LITHIUM DEMAND AND PRICING CONTINUES TO RISE STRONGLY

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<https://webcast.boardroom.media/pilbara-minerals-limited/20210421/NaN606fb4d468f8d4001b9c1be6>

KEY POINTS

PRODUCTION AND SALES

- Record production of 77,820 dry metric tonnes (dmt) of spodumene concentrate (December Quarter 2020: 63,712 dmt).
- Annualised production capacity of approximately 330,000 tpa (dry) spodumene concentrate achieved across the months of February and March 2021.
- Spodumene concentrate shipments of 71,229 dmt (December Quarter 2020: 70,609 dmt), with the final March shipment partially completed as a result of port delays beyond Pilbara Minerals' control.
- Tantalite concentrate sales totalled 47,831 lbs (December Quarter 2020: 18,541 lbs).
- Site works commenced on Pilgangoora Stage 1 (**Plant 1**) improvement projects, to increase spodumene concentrate production up to ~380,000 tpa.
- Trial ore parcel from mine pit at Plant 2 (previously the Altura Lithium Project) processed through Plant 1, achieving high recovery rates.

LITHIUM MARKET

- Lithium chemicals pricing continued to significantly improve during the Quarter, which is now starting to be reflected in the price received for spodumene concentrate sales.
- Strong spodumene concentrate demand, both from within existing customer group and from other market enquiries.
- In late March 2021, a letter of credit was received ahead of an April 2021 spot sale of spodumene concentrate implying a headline price of US\$655/dmt (SC6.0, CIF China basis), highlighting the recent strong upward trajectory in pricing.

CORPORATE

- Acquisition of Altura Lithium Operations Pty Ltd (**ALO**) completed on 20 January 2021, finalising the acquisition of the Altura Lithium Project.
- Offtake and Product Prepayment Agreement executed with Yibin Tianyi Lithium Industry Co Ltd, which included receipt of a US\$15M prepayment during the Quarter to fund Plant 1 improvement projects.
- Agreement executed with GLX Digital Limited for the launch of a new digital marketing and sales platform, providing flexibility to sell unallocated or available spodumene concentrate product in an open market.
- Pilbara Minerals reinstated on the S&P/ASX 200 index effective from 22 March 2021, reflecting the strong increase in its market capitalisation over recent months.
- Quarter-end cash balance of \$112.1M, inclusive of \$8.3M of irrevocable bank letters of credit for shipments completed in late March 2021.



1. OPERATIONS OVERVIEW

During the March Quarter 2021 (**the Quarter**), mining volumes and production activities continued to increase as Pilbara Minerals Limited (**Pilbara Minerals** or **the Company**) responded to growing spodumene concentrate demand.

1.1 HEALTH AND SAFETY

The Quarter ended with one reportable safety incident which resulted in medical treatment, with the person returning to work duties without restriction.

The Company continues to monitor the COVID-19 situation and work on second wave planning to ensure it is prepared, should it need to respond. A large part of Pilbara Minerals' preparation for such an event is regular engagement with government, industry and the community. During the Quarter, the Company did not experience any material impacts to its operations from COVID-19.

1.2 MINING AND PROCESSING COMMENTARY

There was a significant increase in mining activity during the Quarter to support both higher customer demand, tailings management facility (TMF) development and haul road construction works on site.

Total material mined was 2,224,196 wet metric tonnes (wmt) from both the Central and Altura pits. Of this, a total of 585,068 wmt of ore was mined at 1.42% Li₂O. As highlighted previously, waste movement increased during the Quarter in support of further mine development to facilitate additional ore access, haul roads and construction works associated with lifting the walls at the Plant 1 TMF. Waste movements will continue to be higher than the last 12 months as additional ore mining areas are opened-up, given higher plant throughput.

A parcel of broken ore hauled from the ALO pit was used as part of a planned program of works supporting an ore feed trial at Plant 1 (discussed further in the Plant 2 Asset Evaluation section below).

Plant recovery averaged 72% for the Quarter, which along with increased throughput of 415,277 dmt (Q2 FY2021: 381,973 dmt) resulted in record production of 77,820 dmt of spodumene concentrate (previous record 63,712 dmt recorded in Q2 FY2021) (SC6.0 basis) (refer Table 2).

The processing plant ran at an annualised capacity of approximately 330,000 tpa for the months of February and March 2021, reflecting the strong demand for spodumene concentrate from customers and the excellent throughput and recovery rates being achieved.

The volumes for mining, ore processed, shipments and concentrate stocks for the Quarter are shown in Tables 1, 2 and 3 below.

Table 1: Total ore mined and processed

	Units	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Ore mined	wmt	438,070	372,468	466,121	585,068
Waste mined	wmt	213,621	338,461	612,147	1,639,128
Total material mined	wmt	651,691	710,930	1,078,268	2,224,196
Ore processed	dmt	199,961	360,227	381,973	415,277



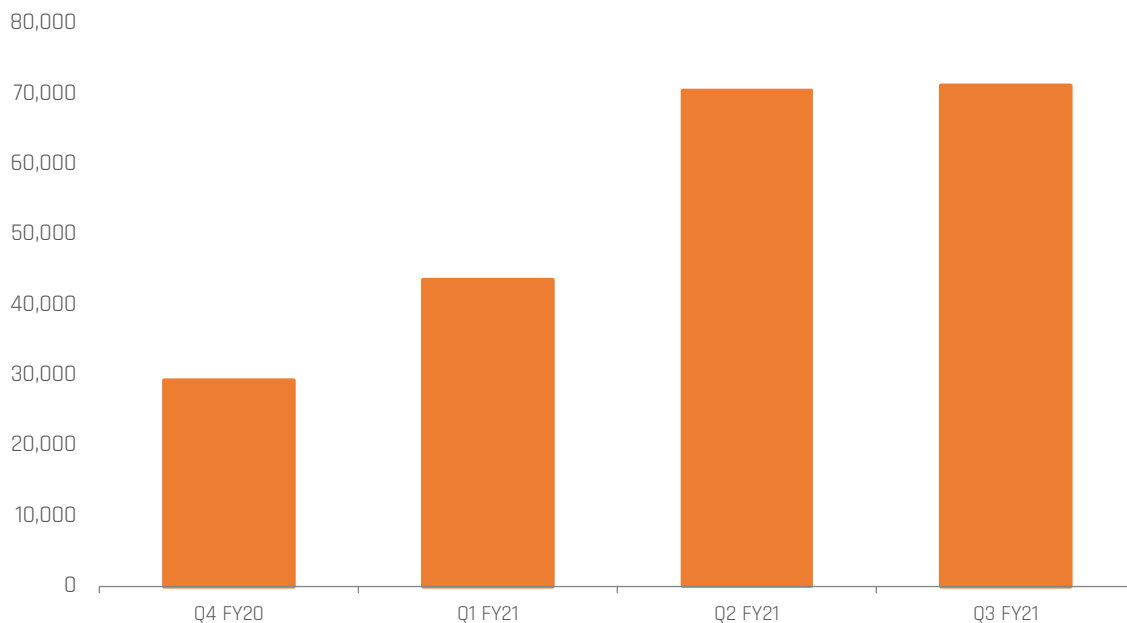
1.3 SHIPMENTS AND SALES

A total of 71,229 dmt of spodumene concentrate was shipped (SC6.0 basis) during the Quarter, compared to the prior shipping/sales guidance of 67,000 – 77,000dmt.

Sales for the Quarter were impacted as the final shipment scheduled for the Quarter was delayed (by approximately two weeks) due to public berth congestion, principally arising as a result of a fire on an inbound cargo vessel at berth. This resulted in the final shipment only being partially loaded at the end of the Quarter.

Tonnes over the ship's rail at the end of the Quarter were recognised by the Company as shipped tonnes for the Quarter. The remaining 11,453 dmt for this shipment will be reflected as shipped tonnes in the June 2021 Quarter.

Figure 1: Quarterly spodumene concentrate shipments (dmt)



The Quarter saw continued strong improvement in lithium market conditions. Based on customer feedback and other market enquiries, Pilbara Minerals expects these conditions will continue and **forecasts shipped tonnes for the June Quarter 2021 to be in the range of ~75,000 to 90,000 dmt of spodumene concentrate.**

Tantalite concentrate sales were 47,831 lbs (provisional sales, pending final reconciliation and assay results).

Table 2: Production and shipments

	Units	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Spodumene concentrate produced	dmt	34,484	62,404	63,712	77,820
Spodumene concentrate shipped	dmt	29,312	43,630	70,609	71,229¹
Tantalite concentrate produced	lbs	23,404	32,881	28,456	36,481
Tantalite concentrate shipped	lbs	23,232	25,222	18,541	47,831

¹ Includes tonnes partially loaded onto ship at the reconciliation close for the Quarter.



Table 3: Stocks position

	Units	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Spodumene concentrate stocks	dmt	17,978	36,303	30,911	40,134¹
Tantalite concentrate stocks	lbs	18,551	26,210	36,124	24,775

¹ Closing balance includes reconciliation adjustments of +2,632 dmt during the Quarter, arising from moisture corrections.

2. MARKET COMMENTARY

The Quarter saw a further strengthening in both spodumene concentrate demand and pricing, continuing the market rebound that commenced in late 2020.

Pilbara Minerals received a significant increase in product supply enquiries both from existing customers, current chemical convertors, and new entrants to the chemical conversion industry.

A further strong uplift in lithium chemicals pricing has been seen within China, with independent market analysts Benchmark Mineral Intelligence (**BMI**) recently noting that lithium carbonate prices have almost doubled so far this year to US\$11,700 per tonne, in reaction to supply shortages.

BMI also reported that the increases in lithium hydroxide pricing are gathering momentum, with many key Chinese lithium chemicals producers predicting that the lithium chemical market will encounter further tightness this year.

In line with the normal lag with lithium chemicals pricing, spodumene concentrate prices started to appreciate strongly during the Quarter. Independent price reporting agencies including FastMarkets, Platts, Asian Metals and BMI were reporting spodumene concentrate pricing in the range of US\$550 –US\$700/dmt (SC6.0, CIF basis) towards the end of March 2021.

Pilbara Minerals anticipates receiving this level of pricing during the June 2021 Quarter (on a provisional pricing¹ basis), due to the delayed nature (slight lag) of the pricing formulae it has with offtake partners.

During the Quarter UBS stated that automotive OEM Volkswagen Group's (**VW**) ID.3 and their EV platform could be fully cost-competitive with traditional Internal Combustion Engine (**ICE**) cars by 2025, making UBS "more confident than ever in a steep EV penetration curve". UBS is now predicting EVs will have 20% market share by 2025, 50% by 2030 (previously 40%), with a chance of 100% by 2040 (previously 80%).

On that basis, UBS forecasts overall lithium demand will lift 11-fold by 2030 (from ~400,000t in 2021), supporting a 17% increase in its long-term forecast price for spodumene concentrate to US\$700 per tonne (SC6.0, CIF basis).

VW also held its first Power Day in March where it presented its technology roadmap for battery and charging until 2030. Key announcements included six new 40GWh battery plants in Europe for a total of 240GWh, a new "unified" battery cell and numerous charging network partnerships.

1. Following the most recent annual contract reviews, the majority of Pilbara Minerals' offtake agreements now include a provisional pricing mechanism which determines a provisional price at the time of sales contract execution and issuance of letters of credit (LCs) (using a pricing formula which is based on historical pricing data for lithium carbonate and lithium hydroxide over an agreed pricing period, which is typically 2-3 months).

As sales contracts and LCs are issued up to two months before a proposed shipment, a final pricing adjustment is then made following shipment, based on updated pricing data at the time of shipment. This has the effect of better aligning spodumene pricing outcomes at the time of delivery of product to customers with lithium chemicals pricing data that is used to derive spodumene sales pricing.



3. PROJECT DEVELOPMENT

3.1 PLANT 2 ASSET EVALUATION

A comprehensive evaluation of the combined mining and processing operations (inclusive of the Altura processing facility, herein referred to as **Plant 2**) is now well underway, including how to maximise the tangible synergies and achieve the best pathway to recommence operations at Plant 2.

Work progressed during the Quarter included integrated mining studies, engineering design for process improvement, stocktake, ancillary services review and developing a plant maintenance requirements catalogue.

Further, a trial parcel of broken ore stocks from the open Altura pit was processed through **Plant 1**, to better understand its processing characteristics including lithia recoveries.

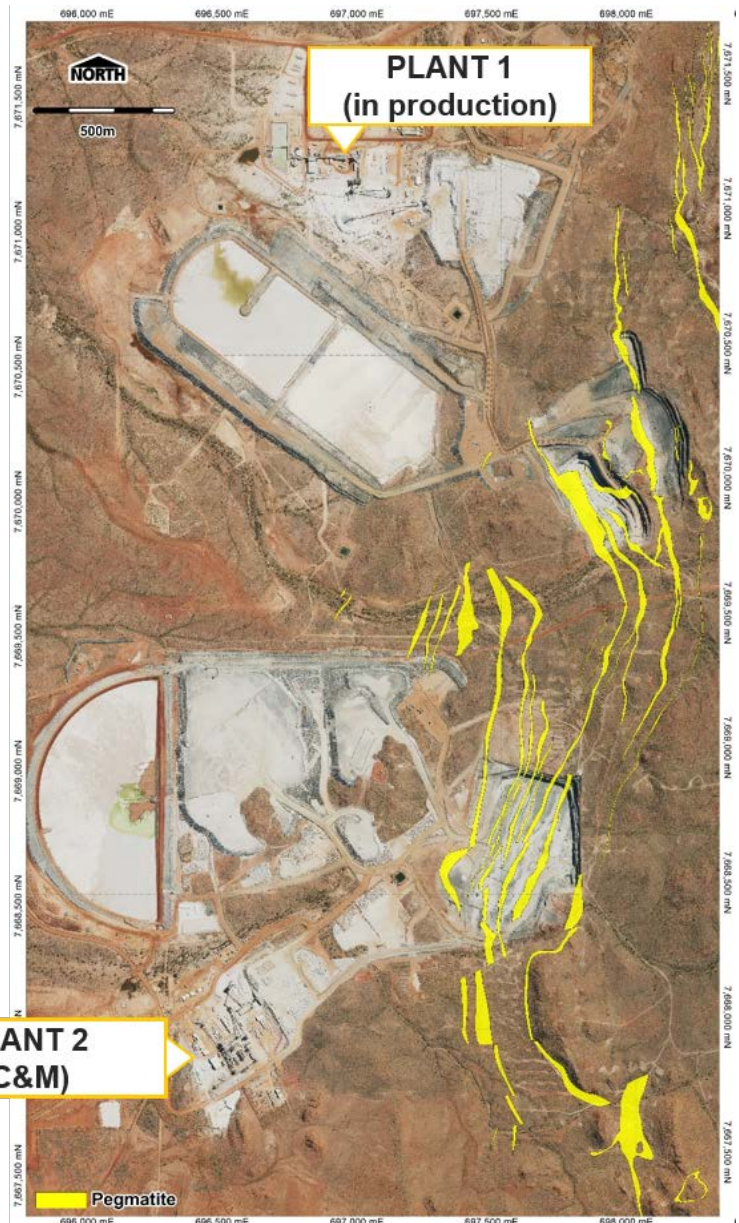
Results from this trial parcel exceeded expectations, delivering strong recoveries largely consistent with that achieved from Monster and Central pit ore, and well within Plant 1's design envelope. This provides a strong indication that the flotation regime at Plant 1 can be successfully applied at Plant 2 (amongst other Plant 2 modifications), which is consistent with Pilbara Minerals' view at the time of acquisition.

In addition, civil (including roads) and engineering works are underway to facilitate the integration of the two operations.

Works to date support Pilbara Minerals' views on the state of the asset base and the benefits and/or synergies that should be derived from the integration of the assets.

Timing for the restart remains subject to both the engineering assessment of Plant 2 (underway), and the Company's ongoing evaluation of market demand and price conditions. Pilbara Minerals notes

Figure 2: Plant 1 and Plant 2 locations



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that the pricing outcomes being achieved in the market are now largely consistent with its expectations around an incentive price to restart Plant 2.

Against this backdrop, Pilbara Minerals will provide further updates to the market on the evaluation of Plant 2 over the coming weeks.

3.2 PLANT 1 IMPROVEMENT PROJECT

As outlined in the December 2020 Quarterly report, Pilbara Minerals is undertaking improvement projects at Plant 1 to increase production capacity and improve plant operability.

These process plant improvements are expected to unlock an additional 10-15% (~30-50ktpa) of production capacity, increasing Plant 1's annualised capacity to up to ~380,000 tpa.

The Plant 1 improvement works commenced on site in March 2021 under a \$15M contract executed with a joint venture between SIMPEC and IronMerge (a Nyamal family business, with Nyamal being the determined native title holders of the land in which Pilgangoora is located on).

These improvement projects are expected to increase plant operating time and throughput, lower final product moisture and further manage product recovery performance, with commissioning expected late within the September Quarter 2021.

Pilbara Minerals expects these improvement works to cost approximately \$22M, which will be largely funded by a US\$15M (A\$19.7M) unsecured prepayment received from one of the Company's existing offtake partners, Yibin Tianyi Lithium Industry Co Ltd (**Yibin Tianyi**) during the Quarter. In exchange for the prepayment, Yibin Tianyi will receive additional product under its existing offtake agreement commencing late CY2021 from the expected ~30-50ktpa of additional production capacity (*refer ASX Announcement 15 March 2021*).

3.3 PLANT 1 EXPANSION

Pilbara Minerals has continued to progress Stage 2 feasibility studies and engineering design which consider further incremental expansion of its Plant 1 facilities, to a total of approximately 5Mtpa of ore processing capacity. The Company estimates the next phase of the incremental Plant 1 expansion capacity would be capable of being delivered within approximately nine months of a final investment decision. The timing of any phased expansion will ultimately be determined by positive market conditions, strong demand from customers and any required approval from the current financiers of Pilgangoora Operations.

Given the expected demand growth in the period 2022-2025 (including Pilbara Minerals' existing customers building further chemical conversion capacity within that time), the Company is well placed to match Pilgangoora production (inclusive of both Plant 1 and 2 processing capacity) to the demands of its current and future customers.

Pilbara Minerals will provide further updates to the market on the proposed progress of the phased expansion of Plant 1 over the coming weeks.

4. EXPLORATION AND GEOLOGY

Exploration activities for the Quarter included resource development drilling and regional project assessments.



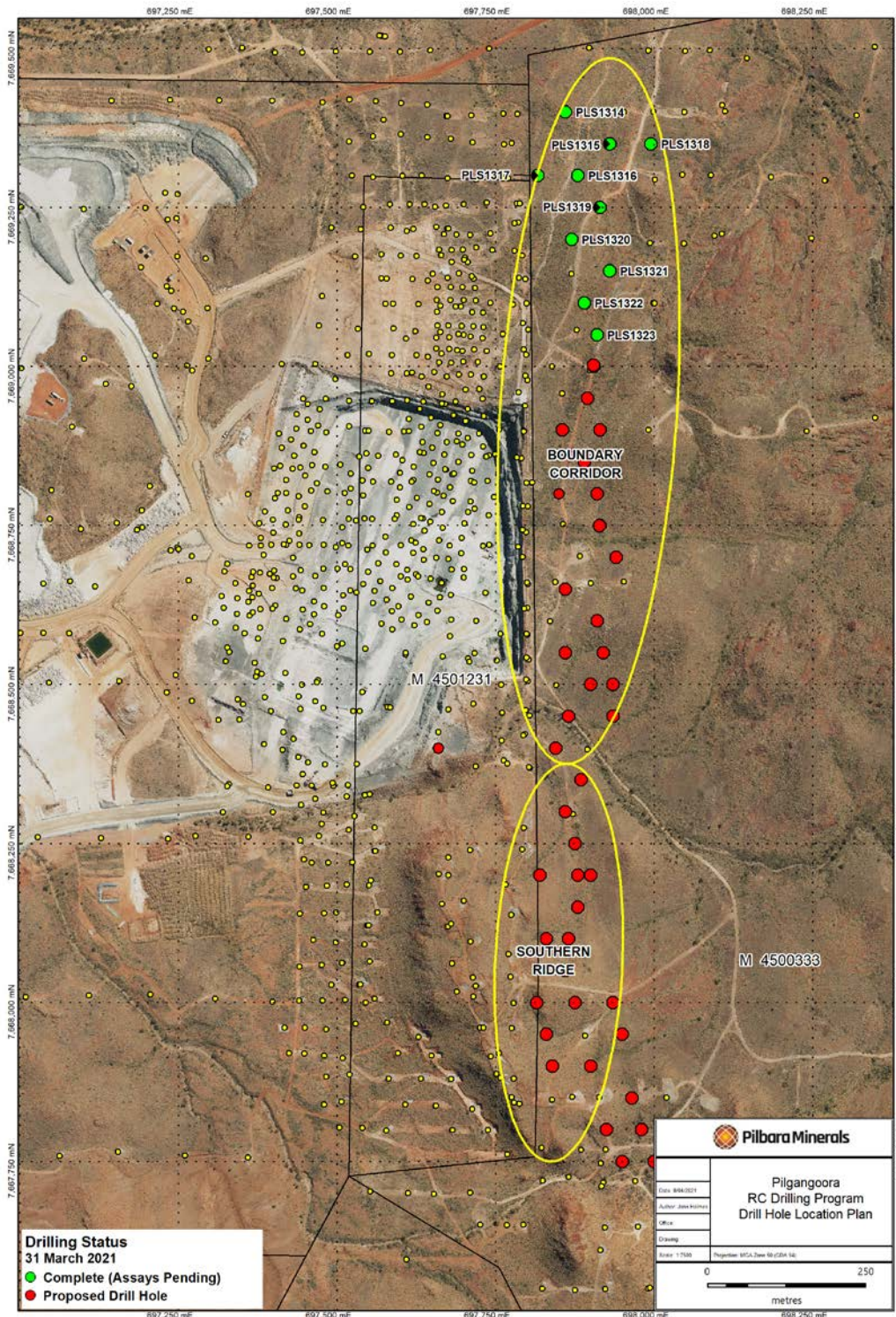
4.1 PILGANGOORA PROJECT (PILBARA MINERALS 100%)

Pilbara Minerals commenced a 9,000m reverse circulation drilling program within a 1.7km long corridor along the eastern tenement boundary (adjacent to the former ALO tenement package). The program has been designed to upgrade and expand the mineral resource inventory, primarily along the northern half of the tenement boundary. In addition, exploration activity will also target the previously under-explored "Southern Ridge" prospect area.

A total of 10 holes for 1,605m had been completed by the end of the Quarter. Samples are being sent to Nagrom Laboratories in Perth for multi-element analysis with results pending.

Subsequent to the completion of the updated and combined Mineral Resource model, pit optimisation studies will be completed to integrate what were previously separate pit positions either side of the former joint tenement boundary. Revised pit inventories will form part of the next Ore Reserve statement, anticipated for release mid-2021 calendar year.

Figure 2: RC drilling program collar locations complete



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4.2 REGIONAL PROJECTS (PILBARA MINERALS 100%)

Pilbara Minerals is continuing with desktop studies on regional tenements for gold and base metals.

4.3 MT FRANCISCO JV (PILBARA MINERALS LIMITED 70%, ATLAS IRON 30%)

No exploration work was undertaken at Mt Francisco during the Quarter.

5. CORPORATE

5.1 ACQUISITION OF ALTURA PROJECT

The acquisition of Altura Lithium Operations Pty Ltd (**ALO**), the entity which owns 100% of the Altura Lithium Project, was successfully completed on 20 January 2021 for US\$175M¹, inclusive of deferred consideration of US\$20M to be paid in cash or shares up to 12 months after completion.

The upfront cash consideration of US\$155M was funded through a three-tranche equity raising which comprised a \$119M tranche 1 private placement to RCF and AustralianSuper and a \$60.7M tranche 2 institutional entitlement equity offer raising, both of which were completed in December 2020. The tranche 3 retail equity entitlement offer raising of \$60.6M was completed in January 2021 prior to the settlement of the ALO acquisition.

5.2 YIBIN TIANYI OFFTAKE AND PRODUCT PREPAYMENT AGREEMENT

The Company's existing offtake partner, Yibin Tianyi Lithium Industry Co Ltd (**Yibin Tianyi**) has provided a US\$15M unsecured product prepayment to assist in funding \$22M of Plant 1 improvement works which commenced during the Quarter (as outlined above).

In exchange for the prepayment, the Company agreed to provide Yibin Tianyi up to an additional 40,000tpa of spodumene concentrate product generated from the increased production capacity expected following the successful commissioning of the Plant 1 improvement works (expected to occur in the September Quarter 2021). This increased offtake is in addition to and will be incorporated into the existing 75,000tpa, five-year offtake agreement with Yibin Tianyi announced last year (*refer ASX Announcement 25 March 2020*), taking the total offtake agreement up to a total of 115,000tpa of spodumene concentrate.

The US\$15M prepayment (which is unsecured and interest free) was received during the Quarter and will be repaid over a three-year period from 1 January 2022 through an offset against spodumene concentrate sold and delivered under the offtake agreement to Yibin Tianyi over that period.

Pilbara Minerals' forecasts that shipments of this additional product under the offtake agreement will begin either late in 2021 or early in the 2022 calendar year.

5.3 LAUNCH OF DIGITAL SALES PLATFORM

Pilbara Minerals has executed an agreement with GLX Digital Limited (**GLX Digital**) for the implementation of a new digital marketing and sales platform for spodumene concentrate production from the Pilgangoora operation.

The platform will provide Pilbara Minerals with a further avenue for sales growth, offering interested parties the ability to access current and future unallocated spodumene concentrate product from the Company's operations.

Notwithstanding the emergence of new buyers in the market, Pilbara Minerals acknowledges the importance of its offtake customers and their significance as key supporters of the Company. As such,



the new trading platform will operate in conjunction with the Company's existing and future offtake agreements.

5.4 TEMPORARY STATE ROYALTY RELIEF

During the Quarter, the Company received the first rebate of temporary royalty relief assistance from the Western Australian Government, amounting to \$0.88M (*refer ASX Announcement 1 December 2020*).

5.5 POSCO DOWNSTREAM JOINT VENTURE

During the Quarter, POSCO continued to undertake further technical evaluations on the design of its proposed 43,000 tpa LCE (lithium carbonate equivalent) chemical conversion facility in Gwangyang South Korea.

Subsequent to the end of the Quarter, POSCO's Board approved the development of the proposed 43,000 tpa (LCE basis) chemical conversion facility, focusing on lithium hydroxide production from spodumene concentrate. These facilities are part of POSCO's objective to continue to expand its participation in battery materials.

As previously announced (ASX release dated 27 August 2019), Pilbara Minerals has entered into a conditional offtake agreement with POSCO for up to 315,000 tpa of spodumene concentrate to be supplied from its Stage 2 expansions and retains the right to participate (initially at 21% with the option to increase to 30%) in a downstream joint venture (**JV**) with POSCO in respect of the chemical conversion facility in South Korea.

The Company is continuing its assessment of the proposed lithium chemicals facility based on updated information and a final business plan recently provided by POSCO (on a confidential basis). This assessment will then inform Pilbara Minerals' decision in respect of its proposed joint participation in the downstream chemical facilities with POSCO. The initial 21% interest in the downstream JV is expected to be largely funded from the previously announced \$79.6M convertible bond agreement with POSCO.

Both companies remain committed to the downstream JV, however, its progression and timing is dependent on the completion of due diligence, the development of formal documents and a final investment decision by Pilbara Minerals' Board. Based on the most recent discussions with POSCO, the Company expects to make further progress in respect of the proposed downstream JV with POSCO during the June 2021 Quarter.

5.6 FINANCIAL RESULTS FROM OPERATIONS

Despite delays at the Port of Port Hedland (as outlined above), the Company shipped 71,229 dmt of spodumene concentrate, which is within previous guidance. The average SC6.0 market reference price increased during the Quarter, which was reflected in higher pricing as compared to the December 2020 Quarter. Pilbara Minerals anticipates receiving further product price increases during the June 2021 Quarter driven by the delayed response of its pricing formulae within offtake agreements to market pricing. In addition, positive final pricing adjustments associated with certain provisionally priced cargoes in the Quarter are expected to be received during the June 2021 Quarter (see below).

A unit cash operating cost² of US\$383/dmt (CIF China) was achieved for the Quarter, being A\$495/dmt at a quarterly average AUD:USD exchange rate of 0.7730 (December Quarter: US\$351/dmt; A\$481/dmt at average quarterly AUD:USD exchange rate of 0.7304).

The US\$32/dmt increase in the unit cash operating cost was mainly attributable to a strengthening in the AUD:USD exchange rate and a significant increase in sea freight costs, increasing from approximately US\$25/wmt in January to approximately \$47/wmt by the end of the Quarter. This increase in sea freight has been driven by multiple factors, the largest of which was a spike in demand



across all major commodity groups, increased bunker prices, and an increase in commodities heading to the Atlantic basin, reducing availability of vessels for the Far East trade route. June Quarter-to-date has seen a slight moderation in sea freight rates.

Pilbara Minerals continues to target a unit cash operating costs of US\$320-350/dmt (CIF China, AUD: USD exchange rate of 0.72) when the processing plant is operating at steady-state production. For reference, at an exchange rate of 0.77 (equivalent to the Quarter end rate), targeted costs were in the range of approximately US\$340-375/dmt (CIF China basis).

Shipments that were provisionally priced in the March 2021 Quarter achieved a selling price of approximately US\$410/dmt. Provisional pricing adjustments for these cargoes will occur during the June Quarter 2021, with the average final price for these shipped cargoes expected to average ~US\$535/dmt. This is indicative of the speed with which the spodumene price has accelerated during the Quarter and continues in the current market. Following settlement of these provisionally priced March Quarter cargoes, a further A\$5-7M should be received (pending final pricing outcomes) in the June 2021 Quarter.

2. Cash operating costs include mining, processing, transport, state and private royalties, native title costs, port, shipping/freight and site based general and administration costs and are net of Ta₂O₅ by-product credits. Cash operating costs are calculated on an incurred basis (including accruals) and include inventory movements.

5.7 CASH BALANCE

Pilbara Minerals closed the Quarter with a cash balance of \$112.1M, inclusive of \$8.3M of irrevocable bank letters of credit for shipments completed within the Quarter (31 December 2020: \$248.0M), having received proceeds of \$56.0M (net of fees) following the completion of the retail equity entitlement offer in January 2021 to help fund the ALO acquisition, and paid \$207.9M to complete settlement of this acquisition.

During the Quarter, Pilbara Minerals received:

- proceeds of \$56.0M (net of fees) following completion of the retail equity entitlement offer from eligible shareholders associated with the acquisition of ALO;
- proceeds of \$37.3M from customer sales;
- proceeds of \$19.7M following the receipt of a US\$15M prepayment from Yibin Tianyi; and
- \$2.5M following the repayment of the short-term loan provided to the Receivers of Altura Lithium Operations Pty Ltd as part of the ALO acquisition.

Major cash outflows and movements during the Quarter included:

- \$33.8M on operating costs at the Pilgangoora Project;
- \$4.6M on capital costs largely related to mine development, ore access, haul roads and construction works associated with lifting the existing tailings storage facility;
- \$1.7M in interest and financing payments, largely associated with the USD senior secured finance facility;
- \$2.7M on payroll, administration and corporate costs;
- \$0.7M on exploration and evaluation work and feasibility studies in relation to the Pilgangoora Project and ALO acquisition; and
- \$207.9M (including US\$155M cash consideration and related acquisition costs) for the acquisition of Altura Lithium Operations Pty Ltd in January 2021, thereby securing 100% ownership of ALO.

The US\$15M Working Capital Facility provided by BNP Paribas remains undrawn.



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MORE INFORMATION

ABOUT PILBARA MINERALS

Pilbara Minerals is the leading ASX-listed pure-play lithium company, owning 100% of the world's largest, independent hard-rock lithium operation. Located in Western Australia's resource-rich Pilbara region, the Pilgangoora Project and Operation produces a spodumene and tantalite concentrate. The significant scale and quality of the operation has attracted a consortium of high quality, global partners including Ganfeng Lithium, General Lithium, Great Wall Motor Company, POSCO, CATL and Yibin Tianyi.

While it continues to deliver a low-cost, quality spodumene to market, Pilbara Minerals is pursuing a growth and diversification strategy to become a sustainable, low-cost lithium producer and fully integrated lithium raw materials and chemicals supplier in the years to come.

Through execution of this strategy, Pilbara Minerals is positioned to become a major player in the rapidly growing lithium supply chain, underpinned by increasing demand for clean energy technologies such as electric vehicles and energy storage as the world pursues a sustainable energy future.

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.

NO NEW INFORMATION STATEMENT

Information relating to the Pilgangoora Project's current Mineral Resource and Ore Reserve estimates, production targets and forecast information derived from the production targets (including information relating to the proposed expansions of the Pilgangoora Project) is extracted from the ASX announcement dated 3 August 2018 entitled "Outstanding DFS Results Support Pilgangoora Expansion", the ASX announcement dated 17 September 2018 entitled "Pilgangoora Reserve and Resource Upgrade", the ASX announcement dated 27 August 2019 entitled "Update on Partnering Process and Revised Stage 2" and as updated in the 30 June 2020 Annual Report. Pilbara Minerals confirms that it is not aware of any new information or data that materially affects the information included in these announcements and that all material assumptions and technical parameters underpinning the resource and reserve estimates, production targets and forecast financial information derived from the production targets in the announcements continue to apply and have not materially changed. Pilbara Minerals confirms that the form and context in which the competent persons' findings are presented in this report have not been materially modified from the original market announcements.

The studies referred to in this report in respect of the revised Stage 2 expansion have been (and will continue to be) undertaken to determine the potential viability of the expansion and to reach a decision to proceed with more definitive studies. Any scoping study is prepared to an accuracy level of $\pm 30\%$. Each scoping and technical study is based on low-level technical and economic assessments and is insufficient to provide assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised. The results of the studies should not be considered a profit forecast or production forecast.