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ASX / MEDIA ANNOUNCEMENT Tuesday 21st December 2021

Pilgangoora Growth Projects and Production Guidance Update

KEY POINTS

- Staged restart of production from the Ngungaju Plant progressing:
  - Coarse concentrate production improving, with the circuit continuing to be optimised through the re-commissioning phase;
  - Commencement of fines flotation circuit targeted for latter part of the March Quarter of 2022; and
  - Total annualised spodumene production capacity from Ngungaju of approximately 180,000 to 200,000 dry metric tonnes (dmt) expected from July 2022.
- Pilgan Plant Improvements Project:
  - Ramp-up of plant improvements project continuing, with annual spodumene production capacity targeting an increase of 10-15% to 360-380,000 dmt from March Quarter 2022.
- December Quarter and FY22 annual concentrate production and shipping guidance revised due to delays with commissioning, ramp-up initiatives and extended plant shutdowns (both planned and un-planned) at both the processing plants:
  - The delays are complicated by the industry-wide shortage of skilled personnel in construction, production and maintenance roles currently being experienced across the WA resource sector.
  - December Quarter production now revised to 85-95kt of spodumene concentrate (previously 90-115kt), FY22 annual concentrate production to 400-450kt (previously 460-510kt) and FY22 shipped tonnes to 380-440kt (previously 440-490kt).
- Lithium market conditions remain very strong, with high demand and constrained supply leading to record product pricing, which is still trending higher.
  - Average price received in the December Quarter expected to be at the high end of prior guidance (being USD$1,650-$1,800/dmt CIF China SC6.0 basis).

Pilbara Minerals Limited (ASX: PLS) (**Pilbara Minerals** or **the Company**) provides the following update on ongoing work programs to increase spodumene production at its 100%-owned Pilgangoora Project in Western Australia.

NGUNGAJU PLANT RESTART

First spodumene concentrate from the coarse circuit at the recently restarted Ngungaju Plant was achieved in mid-October (see ASX release dated 13 October 2021) as part of the staged restart of the operation.

Following re-commencement, the commissioning and ramp-up of the plant has continued in parallel with construction works and plant maintenance activities progressing as part of the next stage to be restarted.

Since achieving first concentrate from the coarse circuit, utilisation of the facility has been lower than initially forecast (albeit improving) due to a combination of equipment failures and additional maintenance downtime required to allow key plant items to be replaced

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and/or upgraded. This has been further impacted by industry wide labour shortages in the mining sector.

The first stage of recommencement consisted of the coarse circuit only, with commissioning of the fines circuit targeted for the latter part of the March Quarter 2022.

During the period when only the coarse circuit is operating, lower overall lithia recoveries are expected until the fines circuit is brought online to maximise lithia recovery.

Full ramp-up of the Ngungaju Plant, with improved lithia recoveries, is expected by the middle of calendar year 2022, at which time targeted annual production capacity is expected to be between 180,000 to 200,000 dry metric tonnes (dmt) of spodumene concentrate. Coarse concentrate production to date is approximately 5,500 dmt.

PILGAN PLANT IMPROVEMENTS PROJECT AND EXPANSION

Construction of the Pilgan Plant Improvements Project was completed in early October 2021, with commissioning and ramp-up of the new facilities commencing shortly thereafter.

The Pilgan Plant Improvements Project is expected to debottleneck the facility to realise additional production capacity from the asset, in particular from the fines flotation circuit. A total of AUD$22 million was invested in this project, which was completed both on-time and on-budget.

Following completion of the ramp-up of the project (expected early 2022), the Pilgan Plant's annualised spodumene concentrate production capacity is targeted to increase from approximately ~330,000 dmt to 360-380,000 dmt.

Pilbara Minerals continues to undertake engineering and design works which will support further phased increases in the production capacity of the Pilgan Plant to in excess of 1Mtpa for the combined Pilgangoora Project.

PILGANGOORA PRODUCTION AND SALES GUIDANCE UPDATES

Delays have been experienced with both the Ngungaju Plant re-start and Pilgan Plant Improvements Project, particularly through plant commissioning, ramp-up initiatives and extended plant shut-downs (for both regular maintenance and to address equipment failures).

The Company's ability to operate and improve the Pilgan Plant and restart the Ngungaju operation have been further impacted by the extended border closures which are now impacting the ability of all mining companies in Western Australia from accessing key personnel in construction, production and maintenance roles.

As a result, the Company has amended its guidance for the December Quarter and for FY22.

December Quarter Guidance Update

Pilbara Minerals now expects to produce approximately 84-95kt (dmt) of spodumene concentrate during the December 2021 Quarter (previous production guidance 90-115kt).

Shipped tonnes will likely be less than production pending the timing of vessel loading and/or departures at the end of the current quarter.

FY22 Production and Shipped Tonnes Guidance Update

FY22 annual concentrate production guidance is revised to 400-450,000 dmt (previously 460-510,000 dmt).

FY22 shipped tonnes guidance is revised to 380-440,000 dmt for the period (previously

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440-490,000 dmt).

Prevailing pricing for global lithium chemicals and spodumene concentrates (which are now well into record territory) are indicative of the market being very short in raw material supply. As a result, Pilbara Minerals is receiving stronger pricing for its products, with the average price received in the December Quarter expected to be at the high end of prior guidance (being USD$1,650-$1,800/dmt CIF China SC6.0 basis), on a final or estimated final price basis (where final pricing is yet to be settled while waiting for price discovery in the month of shipment).

Recent trends in lithium chemical pricing suggest higher spodumene concentrate pricing will continue to be received over the coming months.

BMX Platform sales (in support of spot sales) will re-commence in the New Year, as additional uncommitted production capacity comes online through the ramp-up of the combined Pilgan and Ngungaju processing facilities.

The December Quarter results and any further updates on the Company's projects are expected to be released in late January 2022.

MANAGEMENT COMMENT

Pilbara Minerals' Managing Director, Ken Brinsden, said: *"We have made excellent progress in the construction and initial commissioning of the expanded facilities at Pilgangoora, with construction of the Pilgan Improvements Project being delivered on time and on budget. That said, as we have started ramping up capacity across the entire Pilgangoora site, Pilbara Minerals has not been immune to the skilled labour shortages currently impacting the WA resource sector.*

"As a result of these impacts, which have delayed elements of our commissioning and ramp-up plans, we have updated production guidance for the December Quarter as well as for FY22.

"Notwithstanding this, Pilbara Minerals remains incredibly well-placed to make a significant contribution towards satisfying the world's burgeoning appetite for lithium raw materials.

"Recent price developments are underlining the emergence of significant raw material supply shortages and Pilbara Minerals is doing everything in its power to respond quickly to customer demand with additional production capacity, both in the short and medium term.

"We have also been making excellent progress with our mid-stream strategy to develop value-added products from Pilgangoora through our partnership with Calix, and we have separately updated the market via an announcement on this exciting project today."

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

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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 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 INFORMATION

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.