



**Pilbara  
Minerals**

# FY22 - December 2021 Half Year Results

February 2022

ASX: PLS / BBC: PLS AU

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### Mineral Resources and Ore Reserves

Recipients of this presentation outside Australia should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"), whereas mining companies in other countries may be required to report their ore reserves and/or mineral resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Such estimates of reserves are largely dependent on the interpretation of data and may prove to be incorrect over time. No assurance can be given that the reserves and contingent resources presented in the document will be recovered at the levels presented. Recipients should note that while Pilbara Minerals' mineral resource and ore reserve estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. In particular, SEC Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources, including indicated and inferred resources, in SEC filings. Accordingly, if Pilbara Minerals were reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any mineral resources, including indicated and inferred resources, and the amount of reserves reported by Pilbara Minerals may be lower than its estimates. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that Pilbara Minerals will be able to legally and economically extract them. In addition, investors should note that under SEC Industry Guide 7, mine life may only be reported based on ore reserves. Mine life estimates in this presentation assume that a portion of non-reserve resources will be converted to ore reserves, which would not be permitted under SEC Industry Guide 7.

### Important Information regarding Mineral Resources, Ore Reserves and Project Expansions

Information in this presentation regarding expansions in nameplate capacity of the Pilgan Plant and the Ngungaju Plant are underpinned by the Company's existing Ore Reserves that have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition) and were released by the Company to ASX on 6 October 2021. The relevant proportions of proven Ore Reserves and probable Ore Reserves are 13% proven Ore Reserves and 87% probable Ore Reserves. The Company confirms it is not aware of any new information or data that materially affects the information included in that release or report and that all material assumptions and technical parameters underpinning the Ore Reserves estimates continue to apply and have not materially changed.

Information in this presentation relating to Mineral Resource and Ore Reserve estimates is extracted from the ASX releases dated 6 September 2021 and 6 October 2021. 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 Mineral Resource and Ore Reserve estimates 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 presentation have not been materially modified from the original market announcements.

Information in this presentation relating to production targets and forecast information derived from the production targets (including information relating to the proposed expansions of the Pilgangoora Project including the Pilgan Plant and Ngungaju Plant), is extracted from the ASX announcement dated 3 August 2018 entitled "Outstanding DFS Results Support Pilgangoora Expansion", the ASX announcement dated 27 August 2019 entitled "Update on Partnering Process and Revised Stage 2", ASX announcement dated 11 May 2021 (Pilbara Minerals and the Pilgangoora Project – Ready for the Global Energy Transformation), ASX announcement dated 25 June 2021 (Board Approves Staged Restart at Ngungaju Plant), ASX announcement dated 26 August 2021 (Annual Financial Results and FY2022 Guidance Presentation), ASX announcement dated 6 September 2021 (Significant Increase in Pilgangoora Resource), ASX announcement dated 6 October 2021 (Material Increase in Pilgangoora Ore Reserves), ASX announcement dated 13 October 2021 (Ramp-up of Pilgan Plant Improvement Project Commences), ASX announcement dated 13 October 2021 (First Concentrate Produced from the Ngungaju Processing Plant), ASX announcement dated 31 January 2022 (December 2021 Quarterly Activities Report) and the 30 June 2021 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 Minerals Resource and Ore 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 presentation have not been materially modified from the original market announcements.

Scoping and other technical studies in respect of any revised project expansions for the Pilgan Project have been undertaken to determine the potential viability of the revised expansions and to reach a decision to proceed with more definitive studies. Each scoping study has been 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.

#### **Past performance**

Statements about past performance are not necessarily indicative of future performance.

#### **References to Australian dollars**

All references to dollars (\$) and cents in this report are to Australian currency, unless otherwise stated.

#### **Acceptance**

By accepting, accessing or reviewing this document you acknowledge, accept and agree to the matters set out above.

#### **Authorisation of release**

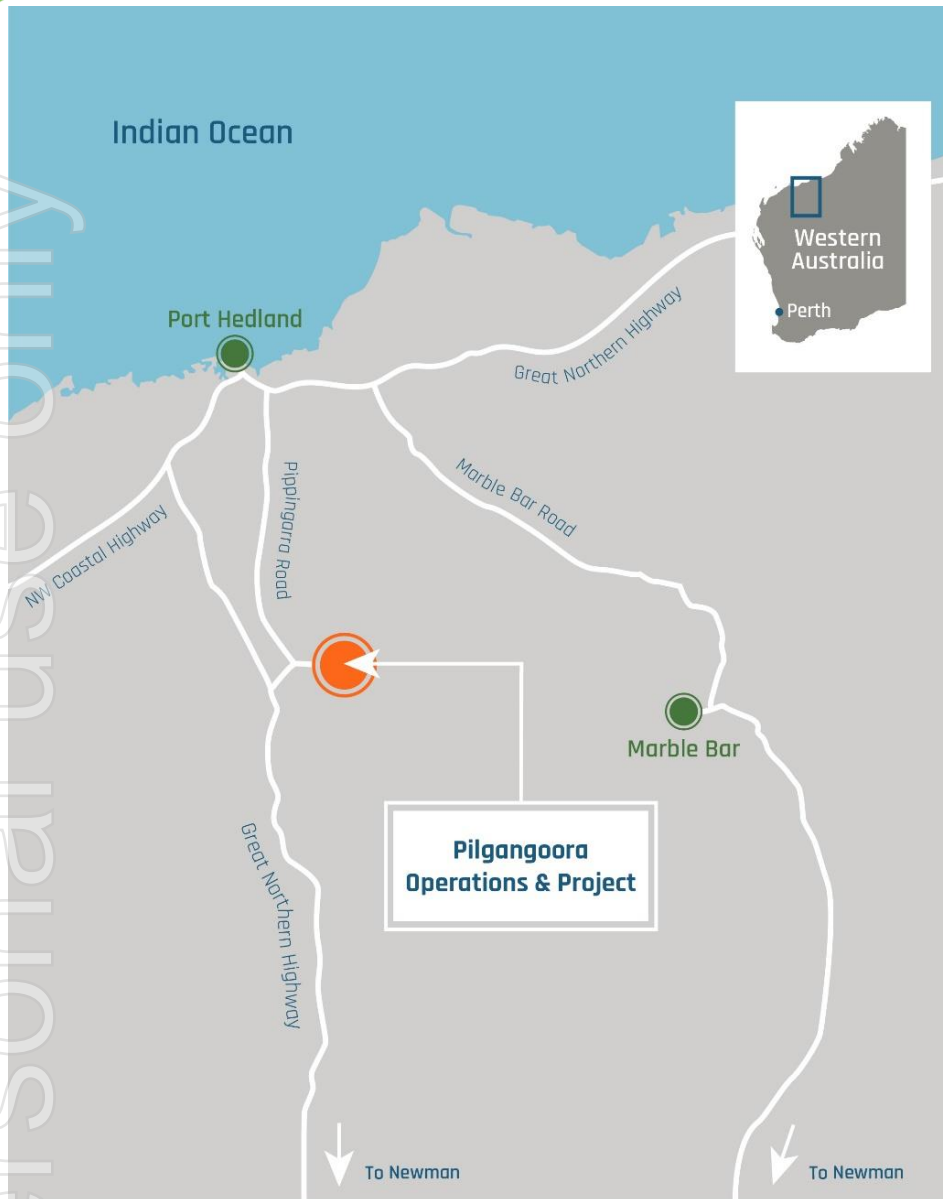
Release of this market announcement is authorised by Ken Brinsden, Pilbara Minerals Limited's Managing Director and CEO.

#### **Online Communications**

Pilbara Minerals encourages investors to be paperless and receive Company communications, notices and reports by email. This will help further reduce our environmental footprint and costs while also ensuring efficient and timely communication during COVID-19.

Shareholder communications available online include the Annual Report, Voting Forms, Notice of Meeting, Issuer Sponsored Holding Statements and other company related information. Investors can view, download or print shareholding information by choice.

To easily update communication preferences, please visit: [www.computershare.com.au/easyupdate/PLS](http://www.computershare.com.au/easyupdate/PLS).



## Pilgangoora Operation

### One Operation, Two Processing Plants

Targeting expanded combined production capacity of ~ 560-580,000 tpa spodumene concentrate from September Quarter 2022, maximising participation in the rapid growth in battery raw material demand

- **Products:**

- ~5.5% - 6%  $\text{Li}_2\text{O}$  (typical) spodumene concentrate
- +5%  $\text{Ta}_2\text{O}_5$  (typical) primary tantalite concentrate

- **Pilgan Plant**

- In production with a nameplate capacity of ~330,000tpa
- Plant Improvement Project ramp-up underway to increase production capacity by a further ~ 30-50,000tpa (10-15% increase) for installed capacity of ~ 360-380,000tpa

- **Ngungaju Plant**

- Acquired from receivers during FY2021, whilst on care and maintenance
- FID made for staged restart in June 21, targeting ~180-200,000tpa in production capacity from September Quarter 2022
- Coarse circuit commissioned and undergoing ramp up, with first concentrate produced in October 2021.
- Commissioning of fines circuit targeted to commence from late March Quarter 2022.

- **Future Expansion Opportunities**

- Potential for future incremental expansions of the Pilgan Plant subject to prevailing market conditions, completion of studies and final investment decision of the Board (FID):
  - **P680 Project**, +100,000tpa incremental brownfields expansion
  - **P1000 Project**, +320,000tpa project, increasing aggregate nameplate capacity of Pilgan to ~780-800,000tpa
- Aimed at achieving a combined nameplate processing capacity supporting production of +1 Mtpa spodumene concentrate with the potential for production of "mid stream" value-added products.

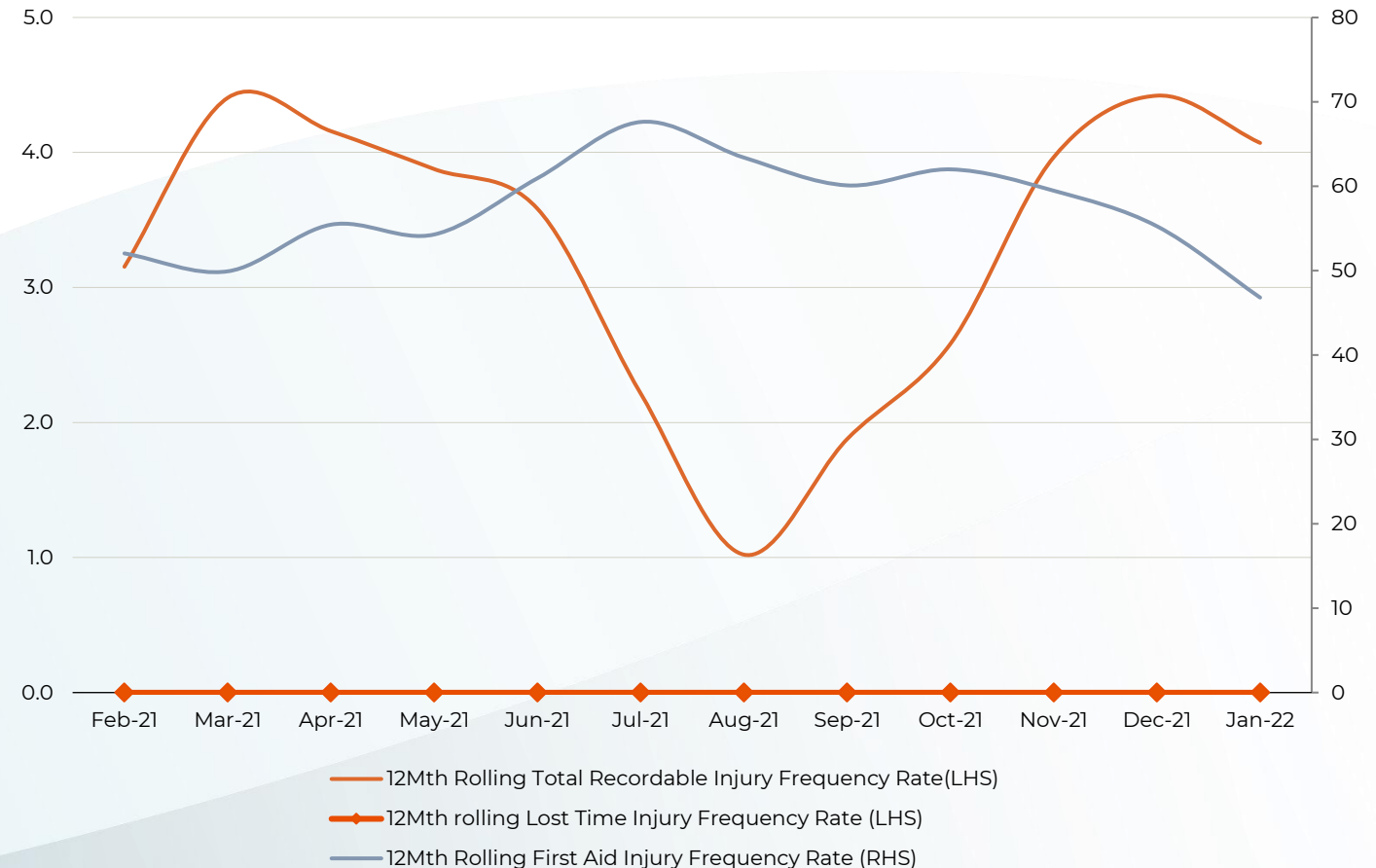
# SAFETY MATTERS

## Injury Frequency Rates

- Ramp up of operations has led to a significant increase in staffing at site and exposure hours, and Pilbara Minerals is pleased to have maintained a zero lost time injury frequency rate of zero (LTIFR) in the period
- There has been an increase in the total recordable injury frequency rate (TRIFR) to 4.0, however current rates are still well below the DMIRS Q1FY22 reported mining sector frequency rate of 5.0

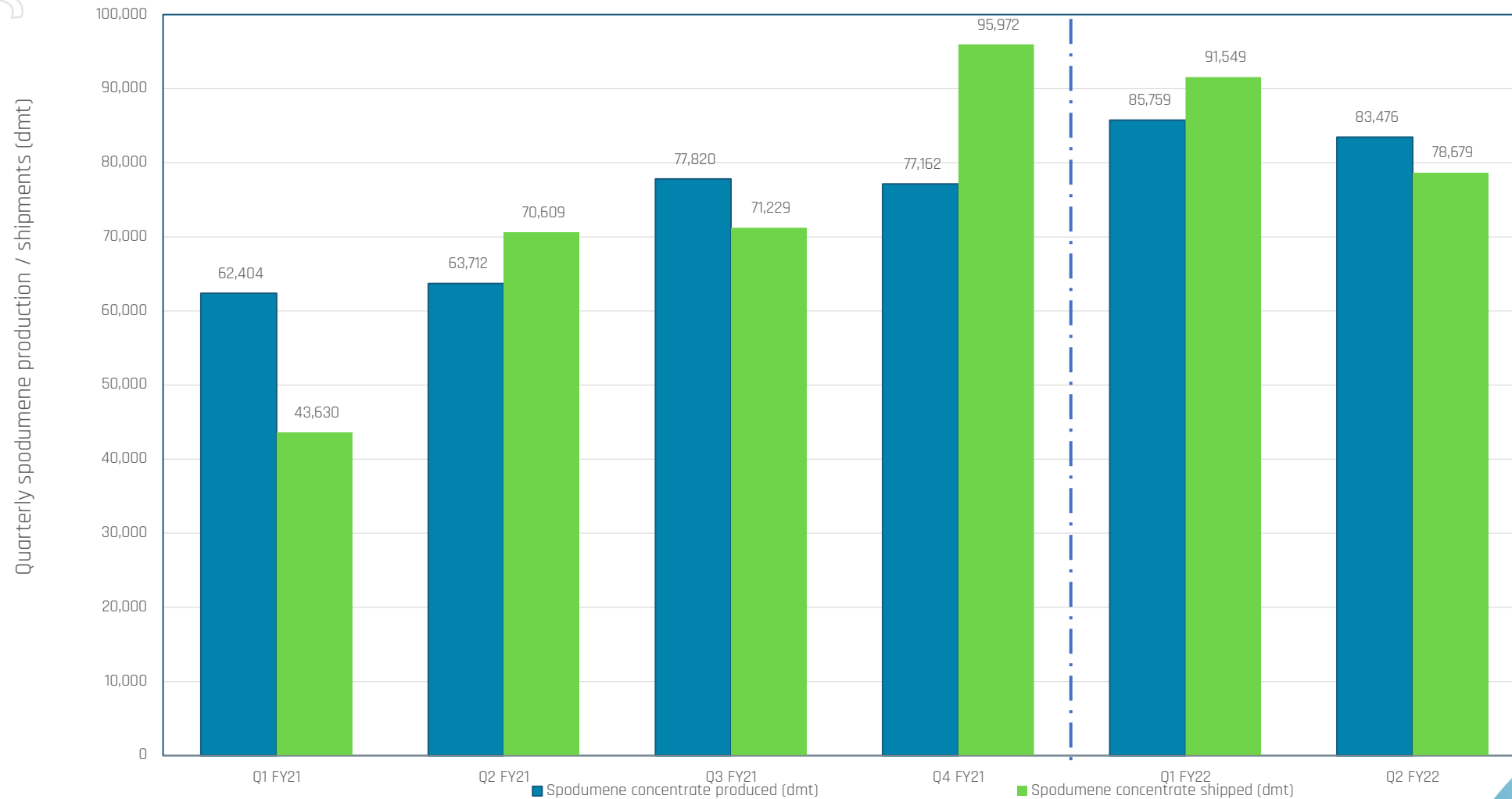
## Proactive Safety Measures

- Pilbara Minerals is working towards implementation of programs to further develop safety culture, including safety onboarding to compliment safety inductions
- Other initiatives undertaken during the reporting period included the development and implementation of quality assessment of field Safety Interactions, and the presentation of a “lessons learned” safety talks.
- Workgroup audits have continued, with three separate audits completed in the period



## Rapid Re-emergence from Moderated Production

Steady increase in production since December 2020 Quarter in response to increasing customer demand. Production for CY2021 totalled 324.2kt.



# FY22 Half Year Production and Sales

Spodumene Concentrate

Produced

169,235 dmt



Shipped

170,228 dmt



Revenue

\$291.7M



## FY2022 December Half Year Financial Result

Gross Margin<sup>5</sup> of \$172.1M<sup>1</sup>

Positive 1H FY 2022 EBITDA<sup>5</sup> of \$151.1M

- \$147.9M improvement compared to 1H FY2021 EBITDA of \$3.2M

Unit Operating Cost (Pilgan)

- US\$347/dmt (FOB Port Hedland)<sup>2</sup> (A\$476/dmt)
- US\$486/dmt (CIF)<sup>3</sup> (A\$666/dmt) (average exchange rate for H1 FY22 of 0.7319)

Net Profit After Tax of \$114M

- Compared to 1H FY2021 loss of (\$21.2M)

Result Reflects:

- Substantial improvement in margin from operations following significant increase in selling price
- Non-cash acquisition costs expensed
  - Altura deferred consideration fair value movement (\$37.2M)
- Tax benefit of \$29.3M, following recognition of prior year tax losses

## H1 FY 22 Balance Sheet

Liquidity \$245M

1H FY 22 cash balance of \$191.2M  
+ \$53.8M LC's<sup>4</sup>.

US\$130M Debt

Increased senior secured debt facility during period by US\$20M for operational flexibility

- ✓ Net cashflow<sup>5</sup> of \$134.1M from Pilgangoora operating activities
- ✓ Net Cash<sup>5</sup> \$14.8M
- ✓ Net Cash (inclusive of LC's<sup>4</sup>) \$68.6M

<sup>1</sup> Gross margin represents the operating margin from the Pilgan operation before depreciation and amortisation expenses. It is an unaudited, non-IFRS measure that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period. A reconciliation of gross margin to statutory net profit is provided within this presentation.

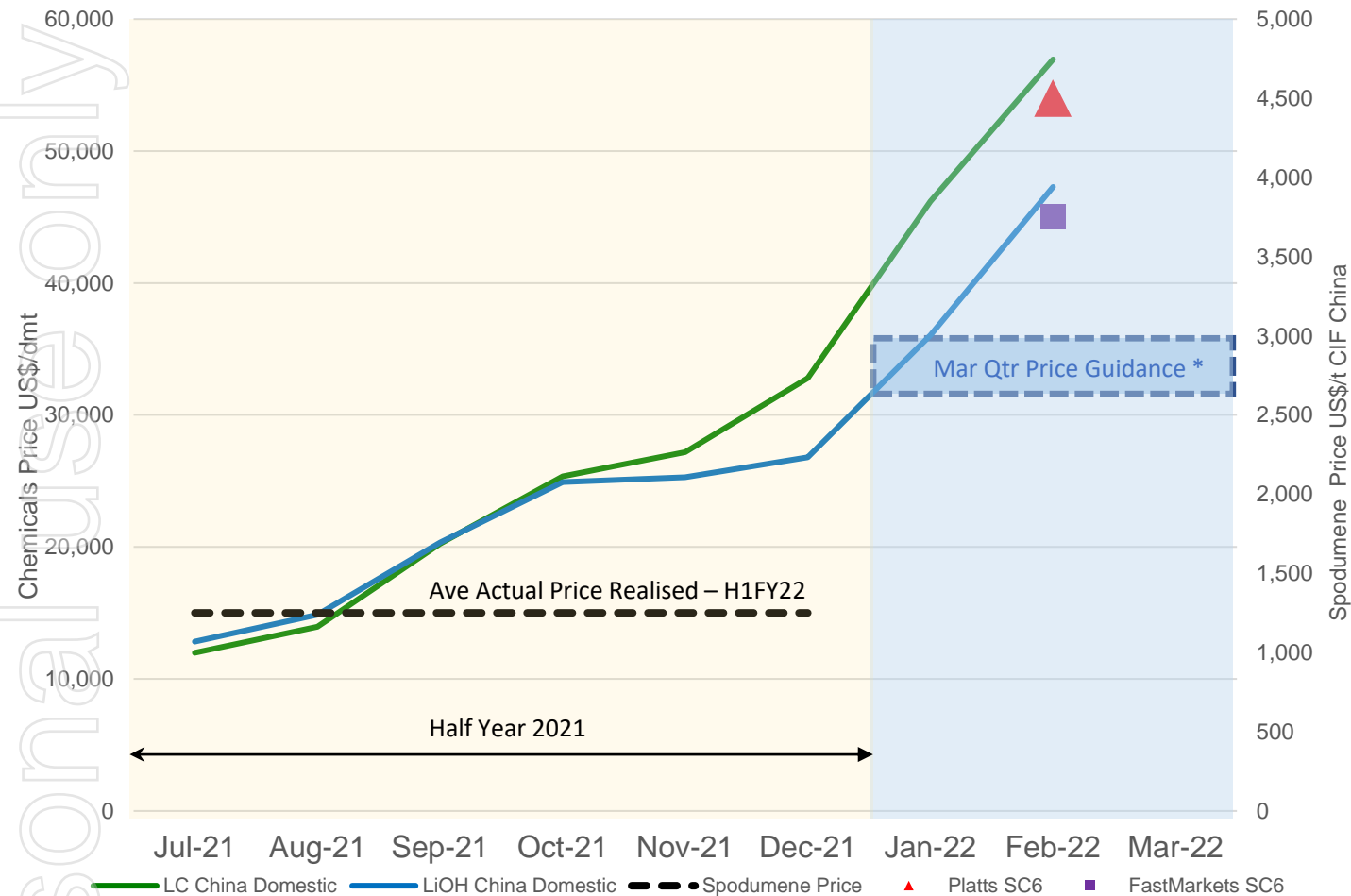
<sup>2</sup> Unit operating cost (FOB Port Hedland) includes mining, processing, transport, native title costs, port and site based general and administration costs and are net of Ta<sub>2</sub>O<sub>5</sub> by-product credits. It is calculated on an incurred basis (including accruals) and includes inventory movements.

<sup>3</sup> Unit operating cost (CIF) is the unit operating cost (FOB China) plus state and private royalties and shipping/freight expenses.

<sup>4</sup> LC - Irrevocable Letter of Credit from financial institutions for shipments completed prior to 31 December balance date.

<sup>5</sup> In order to provide additional insight into the business, non-IFRS measures such as "gross margin", "EBITDA", "Net cashflow from Pilgangoora operating activities" and "Net Cash" are used. Reconciliations to IFRS measures are provided within this presentation.

# Lithium Raw Materials - Pricing Dynamic



## Pilbara Minerals - leading price discovery

- BMX sales platform driving industry innovation and price transparency for the value in lithium raw materials
- Improved spodumene pricing outcomes, following completion of pricing reviews with customers in the latter part of the half-year to better align pricing with prevailing market conditions
- Pilbara Minerals achieving better relativity to the prevailing lithium chemicals price

## Price Trend

- Lithium chemicals price momentum is still very strong, implying materially higher pricing in the second half of FY2022, when compared to the first half

### Notes:

Chemical prices are sourced from Asian Metals in RMB and converted to US\$ based on daily rates and are exclusive of 13% VAT.

Platts SC6 price FOB Australia (18/2/22) and Fastmarkets SC6 price CIF China (17/2/22).

\* Refer to ASX Quarterly Activities Report dated 31 January 2022. Normalised to 6% Spodumene reference price.

## FY22 Guidance

### Production and Sales Spodumene Concentrate

FY22 Forecast production –  
**340-380,000 dmt**

FY22 Forecast shipments -  
**Final shipments will depend on  
actual production results and timing  
of shipments taking into account  
port and vessel availability**

March 22 Quarter Guidance -  
**75-90,000 dmt  
(Production)**

#### Notes to Guidance

The above guidance is indicative only, based on the Company's revised budgetary forecasts and other estimates. It is developed in the context of an uncertain operating environment including in respect of COVID-19 related risks (community distribution and supply chain disruption) and the commissioning and ramp of both the Pilgan Plant Improvement Projects and the re-start and commissioning of the Ngungaju Plant which may impact production and have a flow on effect on sales volumes. Actual results may therefore vary significantly depending on these risks and the timing required to address certain short term operational challenges previously advised which include reduced concentrate production, lower lithia recoveries, mining constraints affecting optimal ore feed blend and industry wide labour shortages for mining, maintenance and processing personnel. The information is therefore provided as an indicative guide to assist sophisticated investors with modelling of the Company. It should not be relied upon as a predictor of future performance.

## Unit Operating Cost

### 2H FY2022 Guidance - Pilgan Operation

**A\$450-A\$490/dmt (FOB Port Hedland excluding royalties)<sup>2,3</sup> (US\$325-US\$355/dmt<sup>1</sup>)**

**[previously A\$425-A\$475/dmt; (US\$320-US\$355/dmt)]**

Costs expected to be impacted during 2H of FY22 as a result of elevated strip ratios, lower recoveries due to less than optimal ore feed, lower plant availability associated with ramp up of Pilgan Plant Improvements project, and higher labour costs.

<sup>1</sup> at an AUD:USD exchange rate of 0.7250

<sup>2</sup> **Unit operating cost (FOB Port Hedland excluding royalties)** includes mining, processing, transport, native title costs, port and site based general and administration costs and are net of Ta<sub>2</sub>O<sub>5</sub> by-product credits. It is calculated on an incurred basis (including accruals) and includes inventory movements.

<sup>3</sup> Royalty costs include a state government royalty of 5% of selling price (FOB), a native title royalty of 1% of selling price (FOB), and a private royalty of 5% of selling price (FOB) on part of the resource/reserve acquired following the Altura Lithium Operation acquisition.

### FY2023 Target - Combined Operation

**A\$530-A\$570/dmt (FOB Port Hedland excluding royalties)<sup>2,3</sup> (US\$385-US\$415/dmt<sup>1</sup>)**

Costs are expected to decrease beyond FY2023 once strip ratios moderate, better plant utilisation and recovery rates are achieved, and further synergies are won from the combined operation.

## Capital Expenditure - FY2022

### Ngungaju Plant Restart - \$48.8M

- Capital costs \$35.4M & operational readiness costs \$13.4M

### Pilgan Plant improvements - \$12.3M

- Costs to increase capacity to ~360-380,000 tpa

### Waste Mine Development - \$50M - \$60M

- Higher mining strip ratios will be required during FY22 to advance Central and South pit development to access sufficient ore to support higher plant throughput

### Pilgan Plant Capital Projects - \$13.4M

- Tailings Management Facility raises, renewable energy, product handling, NPI

### Sustaining capital - \$7.0M

# Sustainability and other ESG Initiatives

## Environment

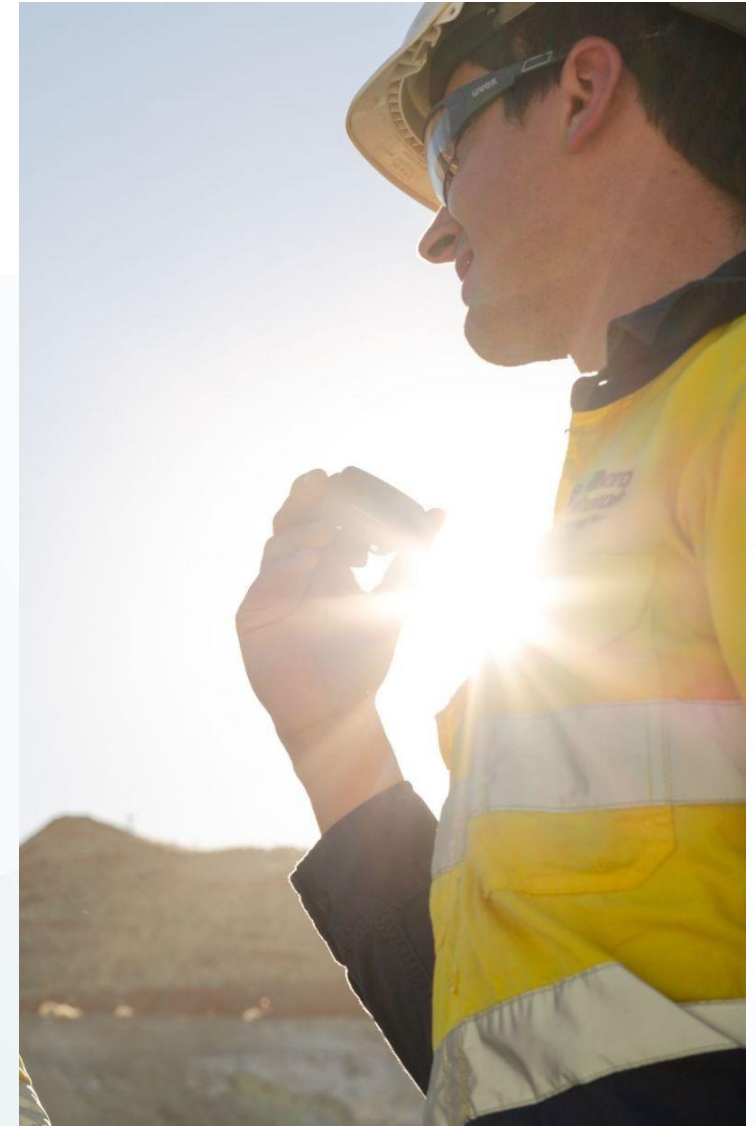
- A Renewables Power Purchase Agreement was signed with Contract Power Australia to construct a 6MW solar photovoltaic farm at the Pilgangoora Operation. This initiative, undertaken in collaboration with one of the Company's senior lenders, Clean Energy Finance Corporation, will save an estimated 9,900t of CO<sub>2</sub> emissions over the contract period
- Development of the Company's Climate Strategy continued, further defining its Net Zero Pathway
- A Life Cycle Assessment (emissions) of the Pilgangoora Operation, including draft assessment of the mid-stream projects carbon emission reduction targets, progressed

## Social

- Potential impacts of the ongoing COVID-19 pandemic on personnel and operations were effectively minimised during the reporting period through ongoing close monitoring of the situation and appropriate management response
- A recruitment campaign was initiated and conducted to address skills shortages affecting businesses generally

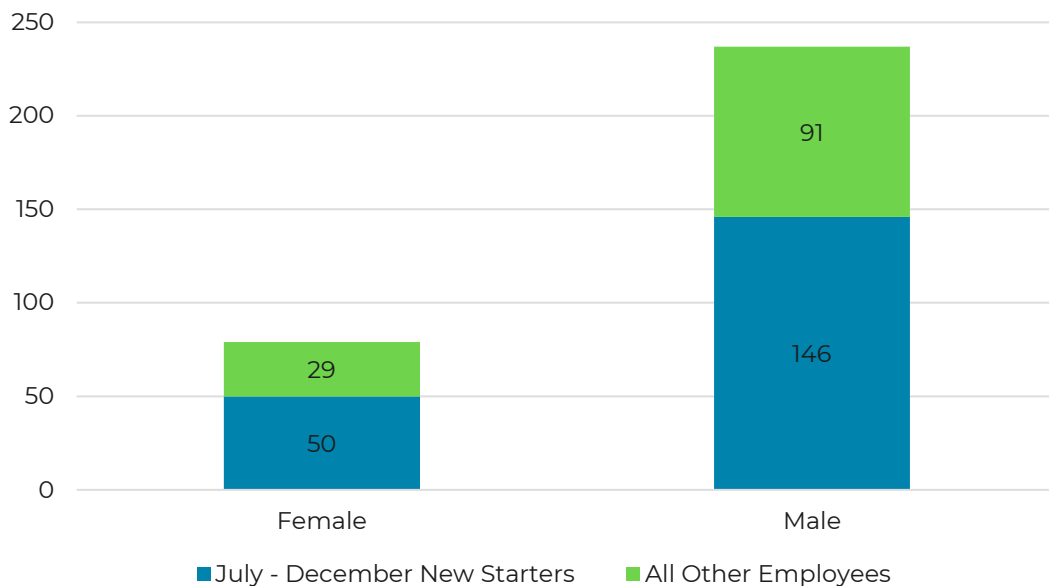
## Governance

- The Company's third Sustainability Report, which was included within the FY2021 Annual Report, was released in October 2021
- The FY2021 Modern Slavery Statement was submitted and released in December 2021

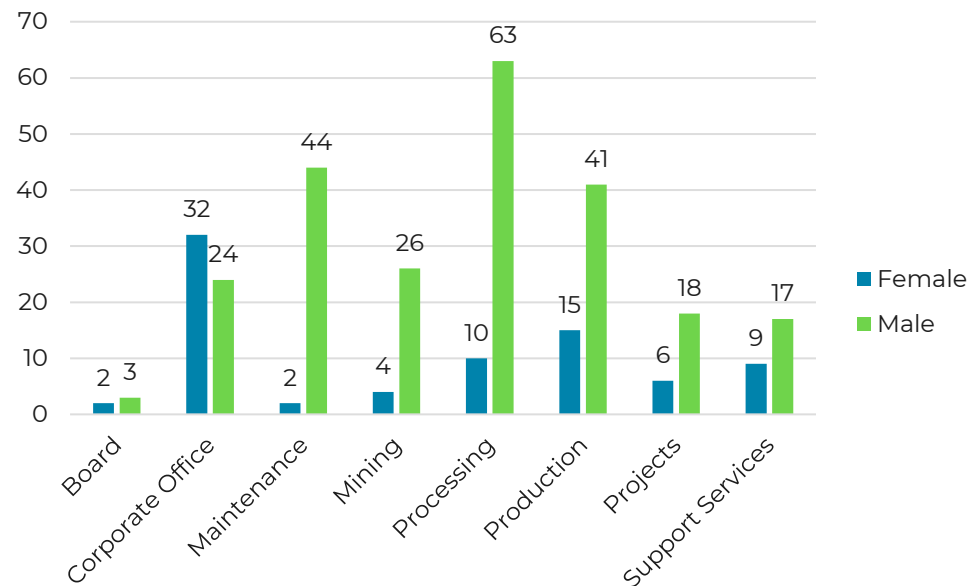


## Gender Diversity

Total Employees vs. Filled Positions for Half



Gender Breakdown per Department



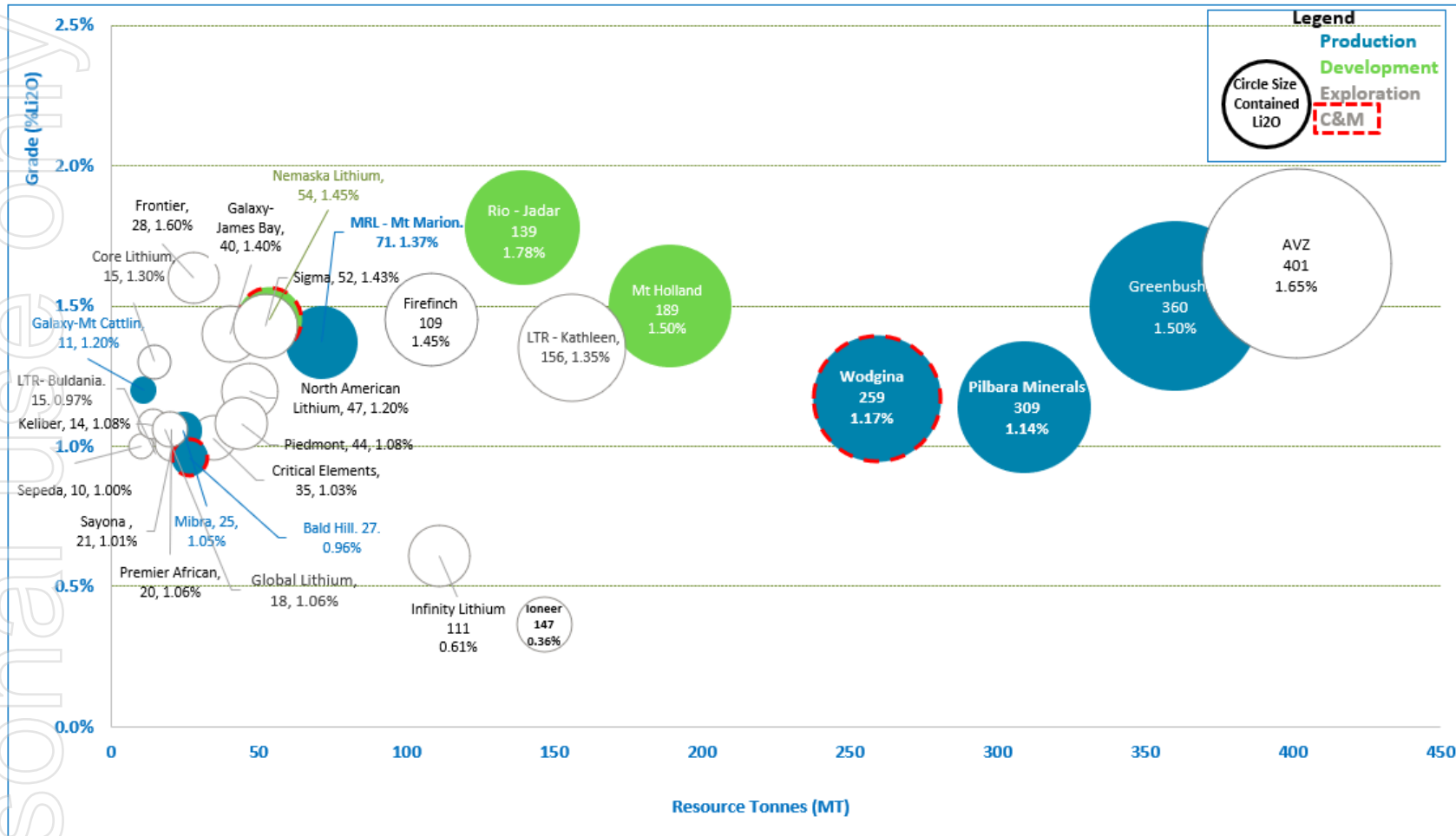
TOTAL NEW EMPLOYEES FOR HALF YEAR: **196**  
 TOTAL EMPLOYEES: **300+**

*\*Data as at 31/12/2021*

*Filled positions includes: permanent, fixed-term, labour hire in permanent positions, casual roles and promotions for this period*

# Pilgangoora - A Globally Significant Mineral Endowment

## Current Hard Rock Lithium Resource Positions



## Mineral Resource and Ore Reserve Updates in FY22 Half Year End

**Pilgangoora Resource - 309mt @ 1.14% Li<sub>2</sub>O in total Measured, Indicated and Inferred Resource**

Refer ASX announcement 6 September 2021 (<http://www.pilbaraminerals.com.au/site/PDF/248fb0ec-acb0-4026-87e8-d278ea3ab5dc/SignificantIncreaseinPilgangooraResource>)

**Pilgangoora Reserve - 162Mt @ 1.2% Li<sub>2</sub>O for 1.9Mt of contained Lithium Oxide**

Refer ASX announcement 6 October 2021 (<http://www.pilbaraminerals.com.au/site/PDF/d7728992-f460-4e8a-ae3e-b6a742ff9e0e/MaterialIncreaseinOreReserve>)

The Company 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 Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed.

Data sourced from public information and filings. Resource estimates for projects other than Pilbara Minerals may have been prepared using different estimation and reporting methodologies. Pilbara Minerals has not verified and accepts no responsibility for the accuracy of the resource estimates other than its own. Readers should exercise caution in relying on this information.

# Half-Year Financial Results Summary

Favourable market demand conditions support significantly higher prices, delivering robust financial results.

	Units	1H-22	1H-21	Change
Spodumene Concentrate Tonnes Shipped <sup>1</sup>	dmt	170,228	114,239	55,989
Sales Revenue <sup>1</sup>	\$M	291.7	59.1	232.6
EBITDA <sup>2</sup>	\$M	151.1	3.2	147.9
Underlying Profit/(Loss) After Tax <sup>2</sup>	\$M	84.2	(19.7)	103.9
Profit/(Loss) After Tax	\$M	114.0	(21.2)	135.2
Cash Inflow from Operating Activities	\$M	116.7	6.1	110.6
Cash Balance	\$M	191.2	99.7 <sup>3</sup>	91.5
Cash Balance inclusive of Irrevocable Letters of Credit (LCs)	\$M	245.0	115.7 <sup>3</sup>	129.3
Net Cash/(Debt) <sup>2</sup> Balance	\$M	14.8	(46.6) <sup>3</sup>	61.4

<sup>1</sup>Includes product sold from Pilgan operation (166,616dmt) and Ngungaju operation (3,612dmt).

<sup>2</sup>In order to provide additional insight into the business, the Group uses non-IFRS measures such as "EBITDA", "underlying profit/(loss) after tax" and "Net Debt". Reconciliations to IFRS measures are provided within this presentation.

<sup>3</sup>The comparative balance represents the Cash Balance and Net Cash/(Debt) positions as at 30 June 2021, which are considered a more meaningful comparisons.

- **EBITDA and Underlying Profit after tax** driven by improved market conditions with substantial increase in spodumene concentrate prices leading to higher revenue and operating margin
- **Statutory Profit After Tax of \$114M** after adjusting for one off items including non-cash acquisition expenses (\$36.2M) and previously unrecognised tax losses (\$66M)
- **Cash balance of \$191.2M** following strong cashflow from operating activities of \$116.7M, offset by capital investment expenditure (\$38M) and an increase in the debt facility following a US\$20M drawdown during the half-year
- **Net Cash balance of \$14.8M**

# Profit and Loss

	1H-22	1H-21	Change
Spodumene Concentrate Tonnes Shipped <sup>1</sup>	170,228	114,239	55,989
	\$M	\$M	\$M
Revenue (Pilgan)	283.3	59.1	224.2
Operating Cost of Sales (Pilgan)	(111.2)	(45.9)	(65.3)
<b>Gross Margin - Pilgan Operation<sup>2</sup></b>	<b>172.1</b>	<b>13.2</b>	<b>158.9</b>
Corporate General and Administration Expense	(9.6)	(5.5)	(4.1)
Exploration and Feasibility Costs Expensed	(10.6)	(2.1)	(8.5)
Other Net Expenses (Net) <sup>3</sup>	(0.8)	(2.4)	1.6
<b>EBITDA</b>	<b>151.1</b>	<b>3.2</b>	<b>147.9</b>
Depreciation	(16.1)	(12.9)	(3.2)
<b>EBIT</b>	<b>135.0</b>	<b>(9.7)</b>	<b>144.7</b>
Net Finance Costs (excl. deferred consideration expense)	(14.1)	(10.0)	(4.1)
<b>Underlying Profit/(Loss) Before Tax<sup>2</sup></b>	<b>120.9</b>	<b>(19.7)</b>	<b>140.6</b>
Current Year Tax Expense <sup>2</sup> (excl. previously unrecognised tax losses)	(36.7)	-	(36.7)
<b>Underlying Profit/(Loss) After Tax<sup>2</sup></b>	<b>84.2</b>	<b>(19.7)</b>	<b>103.9</b>
Net Acquisition Expense	(36.2)	(1.5)	(34.7)
Recognition of Previously Unrecognised Tax Losses	66.0	-	66.0
<b>Statutory Profit/(Loss) After Tax</b>	<b>114.0</b>	<b>(21.2)</b>	<b>135.2</b>

<sup>1</sup> Includes product sold from Pilgan operation (166,616dmt) and Ngungaju operation (3,612dmt)

<sup>2</sup> In order to provide additional insight into the business, the Group uses non-IFRS measures such as "Gross Margin", "EBITDA", "Underlying Profit/(Loss)", and "Current Year Tax Expense". Reconciliations to IFRS measures are provided above.

<sup>3</sup> Includes gross operating loss of Ngungaju operation of (\$0.3M) during commissioning and ramp up phase, following sale of 3,612dmt of Ngungaju SC product during half-year.

<sup>4</sup> Definitions of unit operating costs are provided in this presentation.

- **EBITDA driven by improved market conditions** with increased customer demand and strong rebound in spodumene concentrate prices driving a higher operating margin
- **Non-Cash Acquisition Expense of \$36.2M** following settlement of deferred consideration relating to the purchase of Altura Lithium Operations Pty Ltd in FY 2021. The non-cash expense represents the accounting fair value movement in the balance of the deferred equity consideration owing at 30 June 2021, following increases in the Company's share price up until the time the deferred consideration was settled (Tranche 1: 17 August 2021, Tranche 2: 8 October 2021)
- **Recognition of prior tax losses of \$66M** following improved market conditions and strong financial result
- **Average Selling price of ~US\$1,250** (A\$1,700 at average exchange rate of 0.7319 for the six months ending 31 December 2021)
- **Unit operating cost (FOB Port Hedland and excluding royalties)<sup>4</sup>** for the Pilgan operation of **US\$347/dmt** (A\$476/dmt at average exchange rate of 0.7319 for the six months ending 31 December 2021)
- **Unit operating cost (CIF China)<sup>4</sup>** for the Pilgan operation of **US\$486/dmt** (A\$666/dmt at average exchange rate of 0.7319 for the six months ending 31 December 2021.)

# Cashflow

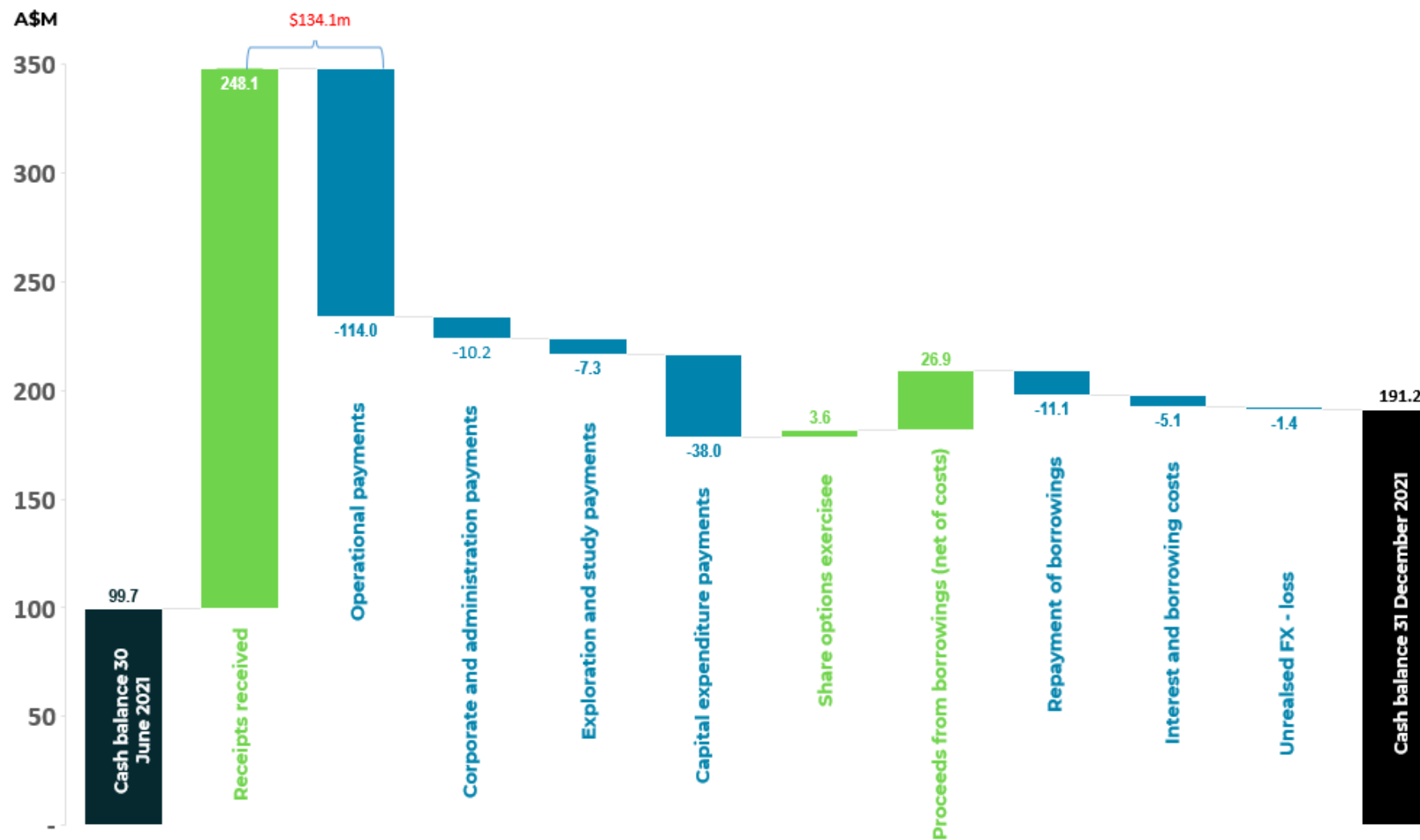
	1H-21	1H-20	Change
	\$M	\$M	\$M
Opening Cash	99.7	86.3	13.4
Cash Inflow from Operating Activities	116.7	6.1	110.6
Cash Outflow from Investing Activities	(38.0)	(2.7)	(35.3)
Cash Inflow from Financing Activities	14.2	166.3	(152.1)
<b>Net Increase in Cash Held</b>	<b>92.9</b>	<b>169.7</b>	<b>(76.8)</b>
Effect of Foreign Exchange	(1.4)	(8.0)	6.6
<b>Closing Cash</b>	<b>191.2</b>	<b>248.1<sup>1</sup></b>	<b>(56.9)</b>
Irrevocable Letters of Credit (LCs) <sup>2</sup>	53.8	-	53.8
<b>Cash Inclusive of LCs</b>	<b>245.0</b>	<b>248.1</b>	<b>(3.1)</b>

<sup>1</sup> The closing cash balance at 31 December 20 included \$173.6M of proceeds relating to the capital raising which funded the purchase of Altura Lithium Operations Pty Ltd (ALO), which was subsequently paid in January 21. Excluding this amount, the closing cash balance at 31 December 20 is restated at \$74.4M.

<sup>2</sup> LC – irrevocable Letter of Credit from financial institutions for shipments completed prior to 31 December 2021 balance date.

- **Cash generated from operating activities of \$116.7M** driven by improved market conditions and strong rebound in spodumene concentrate prices
- **Capital investment of \$38.0M** inclusive of restart of Ngungaju operations, Pilgan Plant and infrastructure improvements, and capitalised deferred waste development activities
- **Financing** - receipt of US\$20M following increase to existing Syndicated Finance Facility, to support Ngungaju restart
- A\$2.8M payment under cash sweep mechanism of the Syndicated Facility Agreement during 1 H 22.
  - Further **cash sweep payment relating to the December 21 Quarter of A\$25.2M** paid during February 22.

# 1H FY2022 Cashflow waterfall



## Balance Sheet

	1H-22	FY-21	Variance
	\$M	\$M	\$M
Cash	191.2	99.7	91.5
Irrevocable Letters of Credit (LCs)	53.8	16.0	37.8
<b>Cash Inclusive of LC's</b>	<b>245.0</b>	<b>115.7</b>	<b>129.3</b>
Outstanding Secured Debt (excl. lease liability)	(176.4)	(146.3)	(30.1)
Net Cash/(Debt) <sup>1</sup>	14.8	(46.6)	61.4

<sup>1</sup>In order to provide additional insight into the business, the Group uses non-IFRS measures such as "Net Cash/(Debt)".  
Reconciliations to IFRS measures are provided above

<b>Investment in Capital – 1 H FY22</b>	<b>\$M</b>
Capitalised Waste Mining Costs	19.1
Ngungaju Plant Restart	19.3
Pilgan Plant and Infrastructure Improvements	14.6
Other	1.5
<b>Total<sup>2</sup></b>	<b>54.5</b>

<sup>2</sup>Excludes right of use assets

- **Increase in debt** following execution of agreements with financiers to expand the existing Syndicated Finance Facility US\$20M (A\$26.9M), offset by a cash sweep payment during 1H FY 22 (A\$2.9M) under the facility, and impacted by a weakening Australian dollar against the US dollar (30 June 21: 0.7518, 31 December 21: 0.7256)
- Following a stronger operating performance during the December 21 Quarter, a **cash sweep payment of \$25.2M** (\$US\$17.9M) was paid during February 2022. This amount is reflected as a current liability at 31 December 2021, along with other scheduled principal repayments due within the next 12 months.
- **Capital investment of \$54.5M** (incurred basis) largely relating to waste mining costs (\$19.1M) following a ramp up in mining activities during the half, the restart of the Ngungaju Plant (\$19.3M) and plant and infrastructure improvements at the Pilgan Plant (\$14.6M).

# Questions?





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# Thank you

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