

June 2022 Full-Year Financial Results

REVENUE OF ~\$1.2 BILLION DRIVES INAUGURAL FULL YEAR PROFIT OF \$561.8M ON THE BACK OF STRONG LITHIUM RAW MATERIALS DEMAND CONDITIONS

2022 FINANCIAL YEAR (FY2022) HIGHLIGHTS

- 361,035 dry metric tonnes (**dmt**) of spodumene concentrate shipped, representing a 28% increase from FY2021 (281,440 dmt shipped).
- Strong demand conditions underpinned a 577% increase in sales revenue to ~\$1.2Bn (FY2021: \$175.8M).
- Increased realised selling price of US\$2,382/dmt (CIF China basis) delivers a substantial increase in gross margin¹ to \$853.5M (FY2021: \$46.2M).
- Positive EBITDA¹ of \$814.5M, before depreciation and amortisation costs of \$44.9M, tax expense of \$163.2M, net financing costs of \$6.9M, and a non-cash expense for the fair value movement in the deferred share consideration related to the Altura acquisition of \$37.2M (FY2021: EBITDA of \$21.4M).
- Statutory net profit after tax of \$561.8M (FY2021: statutory loss of \$51.4M) after recognising a tax expense of \$163.2M.
- 30 June 2022 cash balance of \$874.2M², inclusive of \$282.4M of irrevocable bank letters of credit for shipments completed before 30 June 2022.
- Year-end net cash position of \$714.3M², inclusive of \$282.4M of irrevocable bank letters of credit for shipments completed before 30 June 2022.

Pilbara Minerals Limited (ASX: PLS) (**Pilbara Minerals or the Company**) is pleased to announce an inaugural full year profit after tax of \$561.8M for the full-year to 30 June 2022 (**full-year**), buoyed by exceptionally strong global demand for lithium raw materials and positive pricing conditions for spodumene concentrate, particularly in the second half of the year.

The profit result was driven by a strong operating performance from the Company's world-class Pilgangoora Lithium-Tantalum Operation in the Pilbara region of Western Australia, which delivered a gross margin from operations¹ of \$853.5M (FY2021: \$46.2M).

Key results headlines for FY2022 included:

- Total shipments of 361,035 dmt of spodumene concentrate (FY2021: 281,440 dmt), of which 315,155 dmt originated from the Pilgan Plant and 45,880 dmt from the Ngungaju Plant, which was re-started, commissioned and in ramp-up during the

¹ To provide additional insight into the business, the Company uses unaudited non-IFRS measures such as "gross margin from operations", "EBITDA", "underlying profit before tax and acquisition costs", "net finance costs excluding deferred consideration" and "net cash/debt". Reconciliations of these amounts to IFRS measures are provided in the "FY22 Annual Financial Report" lodged on the ASX platform on 22 August 2022.

² Statutory cash balance is \$591.7M, which excludes irrevocable bank letters of credit of \$282.4M as at 30 June 2022. Net cash represents the cash balance inclusive of irrevocable letters of credit (\$282.4M) less secured debt (\$159.8M).

financial year.

- A 577% increase in revenue to ~\$1.2Bn (FY2021: \$175.8M), with an average selling price of ~US\$2,605/dmt (SC6.0, CIF China basis), which when adjusted for actual lithia content translated to a realised price of ~US\$2,382/dmt (CIF China basis)³.
- A unit operating cost⁴ (FOB Port Hedland and excluding royalties) for the Pilgan Plant of A\$555/dmt (FY2021: A\$431/dmt), which is reflective of labour shortages in the WA mining industry, the impact of COVID-19, as well as inflationary cost pressures following increases in diesel fuel, ocean freight, reagents and labour costs associated with the buoyant WA resources sector.

Including freight and royalty costs⁵, the Pilgan Plant's unit operating cost (CIF China) was A\$844/dmt (previous year: A\$519/dmt), with significantly higher selling prices translating to substantially higher royalty costs (royalty cost FY2022: A\$194/dmt; FY2021: A\$37/dmt).

- The Pilgan Plant contributed \$708.2M to the gross margin from operations, whilst the Ngungaju Plant's contribution was \$145.3M, notwithstanding this plant being re-started, commissioned and ramped up during FY2022.

The strong operational performance underpinned a substantial increase in EBITDA to \$814.5M, after allowing for corporate and administration costs (\$20.9M), exploration and feasibility costs (\$13.9M) and share-based payment expenses (\$5.2M) (FY2021: EBITDA of \$21.4M).

Pilbara Minerals recorded a full-year underlying net profit before tax and acquisition costs of \$762.1M, after recognising \$44.9M in depreciation and amortisation costs, and net financing costs of \$6.9M (excluding deferred consideration costs).

After recognising prior year tax losses of \$66.3M (net of deferred tax balances) and expensing \$37.2M of non-cash deferred acquisition costs relating to the acquisition of Altura Lithium Operations Pty Ltd in the previous year, the Company recorded an inaugural net profit after tax for the year of \$561.8M (FY2021 full-year net loss after tax: \$51.4M).

The strong financial performance allowed the Company to realise the benefit of prior year unrecognised tax losses of \$66.3M (tax effected; net of deferred tax balances), delivering an effective company tax rate for the year of 22.5%. The non-cash acquisition cost of \$37.2M related to the Altura transaction represents the accounting fair value movement between the deferred equity consideration amount owing at 30 June 2021 and the final value following settlement during the year.

The Company's operational performance has seen a strong increase in the end of year cash balance, which grew by \$758.5M to \$874.2M², inclusive of \$282.4M of irrevocable bank letters of credit for shipments completed before 30 June 2022 (FY2021: \$115.7M).

The Company's net cash position (inclusive of \$282.4M of irrevocable bank letters of credit)

³ The SC 6.0 CIF China price is an industry accepted reference price. The actual concentrate grade delivered to customers is generally less than 6% lithia content, in which case the actual price received is adjusted pro rata to the 6% reference price.

⁴ Unit operating costs (FOB Port Hedland excluding royalties) includes mining, processing, transport, native title costs, port charges and site based general and administration costs and are net of Ta₂O₅ by-product credits. It is calculated on an incurred basis (inclusive of accruals) and includes inventory movements and credits associated with capitalised deferred mine waste development costs.

⁵ Royalty costs include a 5% state government royalty on the FOB selling price, a 1% native title royalty on the FOB selling price, as well as a 5% private royalty on the FOB selling price which is applied to a part of the resource/reserve acquired following the Altura Lithium Operation acquisition.

as at 30 June 2022 was \$714.3M² (FY2021: net debt of \$30.6M).

Commenting on the full-year results, Pilbara Minerals' Managing Director and CEO, Dale Henderson said:

"FY2022 has been an incredible year for Pilbara Minerals, with our Pilgangoora Operation capitalising on the surging demand for lithium raw materials that we have experienced over the course of the year.

"The restart of the Ngungaju Plant during the year, together with capacity improvements at the Pilgan Plant enabled increased production volumes to sell into this strong pricing environment. The combination of strong operational performance and the significant increase in lithium pricing underpinned a robust inaugural profit result and has transformed the Company's balance sheet from the prior year.

"The Ngungaju Plant is on-track to achieve its nameplate production capacity of ~180,000-200,000tpa during the September Quarter of 2022, increasing our combined annual production capacity across the Pilgangoora Operation from both plants to ~540,000-580,000tpa of spodumene concentrate.

"The fact that we have achieved such a strong profit result despite the significant headwinds of COVID-19, the WA mining industry's labour and supply shortages and rapid cost inflation is testament to the outstanding efforts of our employees and contracting partners, and I would like to sincerely thank them for their hard work.

"Having recently approved the expansion to grow production by a further 100,000tpa to a combined ~640,000-680,000tpa, and with the Company now progressing towards a FID to expand production to 1Mtpa, Pilbara Minerals commences FY2023 in an exceptionally strong position.

"The business is in an enviable position, supplying product into a burgeoning growth market with a clear pathway for further production growth off a performing operating base. Further, chemicals participation with our downstream JV with POSCO and our midstream project provides another extension of value creation for our shareholders. A very exciting future lies ahead for our business and our shareholders."

Release authorised by Dale Henderson, Pilbara Minerals Limited's Managing Director and CEO.

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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.

ABOUT PILBARA MINERALS

Pilbara Minerals is the leading ASX-listed 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, 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.