

FY2023 Half-Year Results

Thursday 23 February 2023

ASX: PLS



**Pilbara
Minerals**

Investor conference call covering the FY23 Half-Year results will be held at **10.00am (WST) / 1.00pm (AEDT)**

Friday, 24 February 2023

Webcast – for Retail Shareholders and Investors

<https://kapara.rdbk.com.au/landers/a5df70.html>

Teleconference – for Analysts, Brokers, Fund Managers and Media

<https://sl.c-conf.com/diamondpass/10028690-fdt5fv.html>

Important notices

This document has been prepared by Pilbara Minerals Limited ("Pilbara" or "Pilbara Minerals" or the "Company") and is dated 23 February 2023.

Not an offer of securities

This document is provided for informational purposes and does not constitute or contain an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in Pilbara. This document is not a prospectus, product disclosure statement or other offering document under Australian law or any other law, will not be lodged with the Australian Securities and Investments Commission, and may not be relied upon by any person in connection with an offer or sale of Pilbara Minerals' securities.

Summary information

This document contains a summary of information about Pilbara Minerals and its activities that is current as at the date of this document unless otherwise stated. The information in this document is general in nature and does not contain all the information which a prospective investor may require in evaluating a possible investment in Pilbara Minerals or that would be required in a prospectus or a product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth) ("Corporations Act") or the securities laws of any other jurisdiction. The information in this document should be read in conjunction with Pilbara Minerals' other periodic and continuous disclosure announcements lodged with the ASX.

No liability

The information contained in this document has been prepared in good faith by Pilbara Minerals, however no guarantee, representation or warranty expressed or implied is or will be made by any person (including Pilbara Minerals and its affiliates and their directors, officers, employees, associates, advisers and agents) as to the accuracy, reliability, correctness, completeness or adequacy of any statements, estimates, options, conclusions or other information contained in this document. No person other than Pilbara Minerals is responsible for the preparation of this document. To the maximum extent permitted by law, Pilbara Minerals and its affiliates and their directors, officers, employees, associates, advisers and agents each expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this document including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates, forecasts, or projections and any other financial information derived therefrom. Statements in this document are made only as of the date of this document unless otherwise stated and the information in this document remains subject to change without notice. No responsibility or liability is assumed by Pilbara Minerals or any of its affiliates (or their directors, officers, employees, associates, advisers and agents) for updating any information in this document or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which Pilbara Minerals and any of its affiliates or advisers may become aware.

Not Financial Product Advice

This document does not constitute financial product advice or take into account your investment objectives, taxation situation, financial situation or needs. This document consists purely of factual information and does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. An investment in Pilbara Minerals is considered to be speculative in nature and is subject to known and unknown risks, some of which are beyond the control of Pilbara Minerals. Before making any investment decision in connection with any acquisition of securities, investors should consult their own legal, tax and/or financial advisers in relation to the information in, and action taken on the basis of, this document.

Reporting of 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 notices

Forward looking statements

Statements contained in this document, including but not limited to those regarding possible or assumed production, sales, future capital and operating costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Pilbara Minerals, the timing and amount of synergies, the future strategies, results and outlook of the combined Pilgangoora Project, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this presentation regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Pilbara Minerals. Actual results, performance, actions and developments of Pilbara Minerals may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Pilbara Minerals and any of its affiliates and their directors, officers, employees, agents, associates and advisers: disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Pilbara Minerals since the date of this document.

Important Information regarding Mineral Resources, Ore Reserves and P680 and P1000 Expansion Projects

Information in this presentation regarding expansions in nameplate capacity of the Pilgan Plant in respect of the P680 and P1000 Expansion Projects 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 and updated in the Company's 2022 Annual Report. The relevant proportions of proven Ore Reserves and probable Ore Reserves are 11% proven Ore Reserves and 89% 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 as updated in the Company's 2022 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 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.

Guidance as to Production, Unit Costs and Capital Expenditure

Any guidance as to production, unit costs and capital expenditure in this presentation 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, labour shortages and supply chain disruption), inflationary macroeconomic conditions and the ongoing risks associated with mining and project development including the construction, commissioning and ramp up of projects such as the P680 and P1000 Projects which may delay or impact production and have a flow on effect on sales. Actual results may therefore vary significantly depending on these risks and the timing required to address them. 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.

Midstream Demonstration Plant Project - Scoping Studies

Scoping and other technical studies in respect of the Mid-Stream Demonstration Plant Project have been undertaken to determine the potential viability of the demonstration plant and to reach a decision to proceed with more definitive studies and enter into a joint venture agreement. Each scoping study has been prepared to an accuracy level of +/-40% (for Capital costs) and +/-30% (for Operating costs). 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.

Important notices

Financial information

To provide additional insight into the business, certain unaudited non-IFRS measures such as “gross margin”, “EBITDA”, “underlying profit after tax”, and “net cash” may be used in this presentation which, in the opinion of the Company’s directors, provides useful information to assess the financial performance of the Company over the reporting period. Reconciliations of these amounts to IFRS measures are provided in the FY23 Half Year Results lodged on the ASX platform on 24 February 2023..

This presentation should be read in conjunction with the Company’s FY23 Half Year Results and accompanying notes dated 23 February 2023.

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 Mr Dale Henderson, Managing Director & 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.

Interim Dividend - Updating Direct Credit Details

The interim dividend will be paid to Australian and New Zealand shareholders by way of direct credit only.

Pilbara Minerals strongly encourages all investors in Australia and New Zealand to update their Australian or New Zealand banking details online through Computershare’s Investor Centre website at www.computershare.com.au/easyupdate/PLS. Alternatively, you may contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Payments will be made in the currency of the bank account with is recorded on the register as at Record Date, 3 March 2023

H1 FY2023 Financial Highlights

\$2.18Bn

Revenue
+647%¹

\$1.81Bn

EBITDA²
+1,091%¹

\$1.24Bn

NPAT
+989%¹

\$2.23Bn

Cash Balance

\$2.08Bn

Net Cash^{2,3}

11 cents per share

Fully franked interim dividend - \$329.8M



**Pilbara
Minerals**

¹ Expressed as a percentage increase compared to H1 FY2022.

² In order to provide additional insight into the business, unaudited non-IFRS measures such as "EBITDA" and "Net Cash" are used that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period. Reconciliations to IFRS measures are included within this presentation.

³ Cash (\$2.23Bn) less secured debt (\$147.8M).

Pilgangoora Project

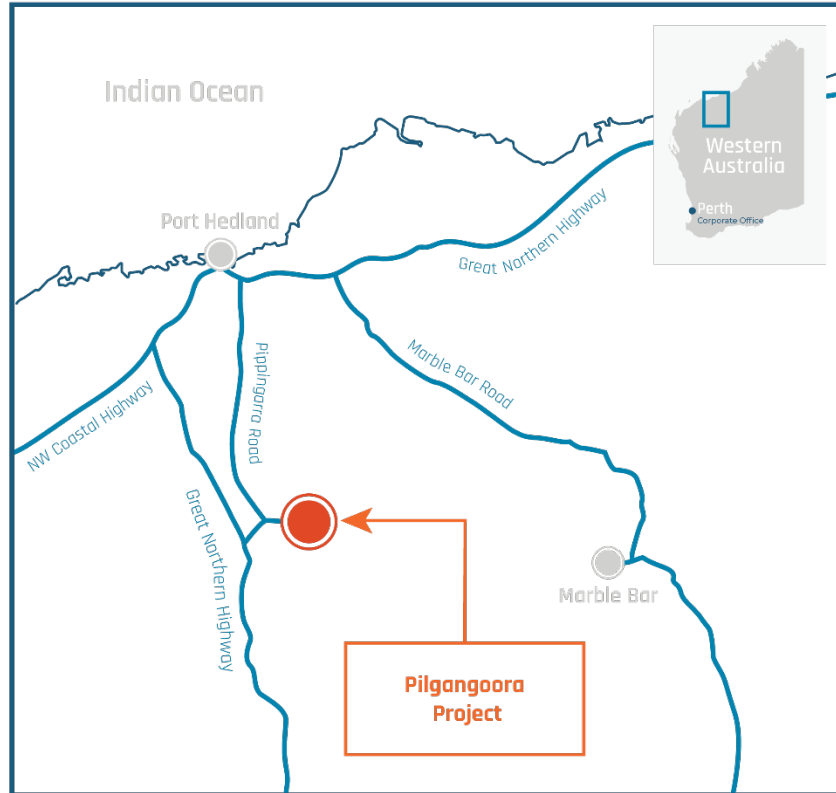
One of the few major hard-rock lithium producers globally

Tier 1 asset
with strong growth potential

Two plants
in operation

~580,000 tpa¹
processing capacity (current)

26²+ years
mine life



**Pilbara
Minerals**

¹ Assumed product grade of SC5.7%.

² Refer to ASX Announcement 6 October 2021.

Sustainability



Community investment

Multi-year partnerships with Earbus Foundation and Smith Family



Climate change

6MW solar farm energised and supplying power to operation



Indigenous engagement and opportunities

Overnight cultural awareness camp for employees with Nyamal People



**Pilbara
Minerals**

Safety and people



4.22¹

Total recordable injury frequency rate (TRIFR)



1.17 (target 1.00)

Quality safety Interactions² completed per 1,000 hours



87%

participation rate annual employee engagement and culture survey



22%

Female employment



Pilbara Minerals

¹ Reclassification of two medical treatments for December Quarter 2022 completed during February 2023.

² Safety interaction is a leading indicator.

Financials

FY2023 Half-Year Results



**Pilbara
Minerals**

Financial results driven by production and sales outcomes

Spodumene concentrate

Produced -

309,255 dmt

(PCP¹: 169.2kt)

Shipped -

286,876 dmt

(PCP: 170.2kt)

Average Realised Price -

US\$4,993/dmt

(PCP: US\$1,232/dmt)



**Pilbara
Minerals**

¹ PCP represents the prior corresponding period.

Half-Year Financial Results Summary

Strong half year profit achieved following robust lithium raw materials demand conditions, providing positive pricing outcomes

	Units	Dec-22	Dec-21	Change
Spodumene Concentrate Tonnes Shipped	dmt	286,876	170,228	116,648
Sales Revenue	\$M	2,180.1	291.7	1,888.4
EBITDA ¹	\$M	1,811.5	152.1	1,659.4
Underlying Profit After Tax ¹	\$M	1,241.9	85.2	1,156.7
Statutory Profit After Tax	\$M	1,241.9	114.0	1,127.9
Cash Inflow from Operating Activities	\$M	1,805.0	116.7	1,688.3
	Units	Dec-22	Jun-22	Change
Cash Balance	\$M	2,226.5	591.7	1,634.8
Net Cash ¹	\$M	2,078.7	431.9	1,646.8

- **EBITDA and Underlying Profit After Tax** driven by improved operating performance, combined with higher pricing outcomes achieved on the back of positive demand conditions across the global lithium-ion supply chain, exceptional pricing for cargoes sold via the BMX platform, and the completion of price review negotiations with major customers.
- **Statutory Profit After Tax** represents a 989% increase compared to the prior corresponding period.
- **Cash Balance of \$2,226.5M**, a \$1.63 billion increase during the half year period. Strong cashflow from operating activities of \$1,805.0M, offset by capital investment expenditure (\$128.3M), repayment of borrowings and leases (\$34.3M) and payments for interest and other finance costs (\$9.95M).
- **Net Cash Balance of \$2,078.7M**, after taking into account \$147.8M of secured debt.

H1 FY2023 Financial Results

Gross Margin from Operations^{1,3} of \$1,846.5M

(PCP: \$174.3M)

- Sales revenue⁴ - \$2.18 Bn (PCP:\$291.7M)
- Realised price - A\$7,447/dmt (CIF China); (US\$4,993/dmt)
- Gross margin – A\$6,311/dmt

EBITDA³ \$1,811.5M

- 1,091% improvement compared to H1 FY2022 EBITDA of \$152.1M

Unit Operating Cost²

- A\$595/dmt (FOB Port Hedland excl. royalties)
 - (PCP: A\$476/dmt)
- A\$1,136/dmt (CIF China)
 - (PCP: A\$666/dmt)

Net profit before tax \$1,774.9M

Net Profit after tax \$1,241.9M

- 989% improvement compared to H1 FY2022 profit after tax of \$114.0M

Result driven by:

- Increased production and shipping volumes, together with improved gross margin per tonne.
- Improved gross margin from significant increase in pricing outcomes following positive demand conditions, exceptional results for cargoes sold via BMX platform, and completion of offtake customer price reviews.
- Higher unit operating costs due to labour shortages in WA mining sector, supply chain disruptions, investment in mining activities, general inflationary pressures and higher royalty costs linked to higher pricing.

¹ Gross margin from operations represents the operating margin from Pilgangoora Operations before depreciation and amortisation expenses. A reconciliation of gross margin from operations to statutory net profit is included in the Interim Financial Report (Review of Operations section).

² Unit operating costs (FOB Port Hedland excluding royalties) include 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 (including accruals), and includes inventory movements, and credits for capitalised deferred mine waste development costs. Unit operating costs (CIF China) represents the unit operating costs (FOB Port Hedland excluding royalties) adjusted to include freight and royalty costs.

³ In order to provide additional insight into the business, unaudited non-IFRS measures such as "Gross Margin from Operations", "EBITDA", "Underlying profit after tax", "Net Cash" are used, that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period. Reconciliations to IFRS measures are included within this presentation.

⁴ Sales revenue includes revenue from the sale of a medium grade concentrate product (middlings).

Profit and Loss

	Dec-22	Dec-21	Change
Spodumene Concentrate Shipped (dmt)	286,876	170,228	116,648
	\$M	\$M	\$M
Revenue	2,180.1	291.7	1,888.4
Operating Cost of Sales	(333.6)	(117.4)	(216.2)
Gross Margin²	1,846.5	174.3	1,672.2
Corporate General and Administration Expense	(16.5)	(9.6)	(6.9)
Exploration and Feasibility Costs Expensed	(12.5)	(10.6)	(1.9)
Other Net Expenses (Net)	(6.0)	(2.0)	(4.0)
EBITDA²	1,811.5	152.1	1,659.4
Depreciation and non cash write-downs	(47.7)	(16.1)	(31.6)
EBIT	1,763.8	136.0	1,627.8
Net Finance Costs (excl. deferred consideration expense)	11.0	(14.1)	25.1
Underlying Profit/(Loss) Before Tax²	1,774.9	121.9	1,653.0
Current Year Tax Expense ² (excl. previously unrecognised tax losses at Dec '21)	(533.0)	(36.7)	(496.3)
Underlying Profit/(Loss) After Tax²	1,241.9	85.2	1,156.7
Net Acquisition Expense	-	(37.2)	37.2
Recognition of Previously Unrecognised Tax Losses	-	66.0	(66.0)
Statutory Profit/(Loss) After Tax	1,241.9	114.0	1,127.9

EBITDA² of \$1,811.5M driven by:

- higher spodumene concentrate production,
- more tonnes being shipped, and
- higher margin per tonne (driven by significantly improved pricing).

Shipped tonnes totalled 286,876 dmt; representing a 69% increase from prior corresponding period (PCP). Production strategy during the period targeted lower product grade during the period to optimise product yield and maximise production.

Average realised selling price of ~US\$4,993/dmt (CIF China) (A\$7,447/dmt) achieved on the back of:

- stronger market demand conditions for lithium raw materials,
- improved offtake customer pricing outcomes following price negotiations, and
- superior pricing for those cargoes sold via the BMX platform.

Unit operating cost (FOB Port Hedland and excluding royalties)¹ of A\$595/dmt, and A\$1,136/dmt (CIF China) once freight and royalty costs included. Unit costs were higher compared to the prior corresponding period, impacted by:

- labour shortages in the WA mining sector,
- supply chain disruptions,
- an elevated strip ratio to support further investment in mining activities,
- general inflationary pressures, and
- higher royalty costs linked to the higher selling prices achieved.

Gross margin² of \$1,846.5M, including a margin of \$25.3M from the sale of a medium grade concentrate product (middlings).

Underlying profit after tax² of \$1,241.9M, compared to a profit of \$85.2M in the prior corresponding period.

Statutory profit after tax of \$1,241.9M (PCP: \$114.0M).

¹ Unit operating costs (FOB Port Hedland excluding royalties) include 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 (including accruals), and includes inventory movements, and credits for capitalised deferred mine waste development costs. **Unit operating costs (CIF China)** represents the unit operating costs (FOB Port Hedland excluding royalties) adjusted to include freight and royalty costs.

² In order to provide additional insight into the business, unaudited non-IFRS measures such as "gross margin", "EBITDA", and "underlying profit after tax" are used, that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period.

Strong Balance Sheet

31 December 2022

Cash Balance -

\$2,226.5M

30 June 2022 cash of \$591.7M

Debt -

US\$100.1M

Senior secured debt facility

Net Cash¹ -

\$2,078.7M

Net cashflow from operating activities of \$1,805.0M



**Pilbara
Minerals**

¹ In order to provide additional insight into the business, unaudited non-IFRS measures such as "gross margin", "EBITDA", and "Net Cash" are used, that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period. Reconciliations to IFRS measures are provided within this presentation.

Cashflow

	Dec-22	Dec-21	Variance
	\$M	\$M	\$M
Opening Cash	591.7	99.7	
Cash Inflow from Operating Activities	1,805.0	116.7	1,688.3
Cash Outflow from Investing Activities	(128.3)	(38.0)	(90.3)
Cash (Outflow) from Financing Activities	(45.9)	14.2	(60.1)
Net Increase in Cash Held	1,630.7	92.9	1,537.8
Effect of Foreign Exchange	4.0	(1.4)	5.4
Closing Cash	2,226.5	191.2	

- **Significant cash generated from operating activities of \$1,805M**, a 1,447% increase over the prior corresponding period, delivered following a strong operational performance and buoyed by strong global demand conditions and positive pricing outcomes.
- **Capital investment activities of \$128.3M** includes:
 - commissioning and ramp up of the Ngungaju Plant;
 - P680 Expansion Project (commenced during the period);
 - capitalised waste mine development activities;
 - integration and installation of the 6MW solar farm;
 - tailings management facilities; and
 - other sustaining and development capital projects.
- **Cash outflow from financing activities of \$45.9M** includes:
 - \$19.2M for lease liability repayments;
 - \$15.1M of principal repayments on secured debt facility; and
 - \$10M for interest and other finance costs.



**Pilbara
Minerals**

Balance Sheet

	Dec-22	Jun-22	Variance
	\$M	\$M	\$M
Cash	2,226.5	591.7	1,634.8
Outstanding Secured Debt (excl. lease liability)	(147.8)	(159.8)	12.1
Net Cash ¹	2,078.7	431.9	1,646.8

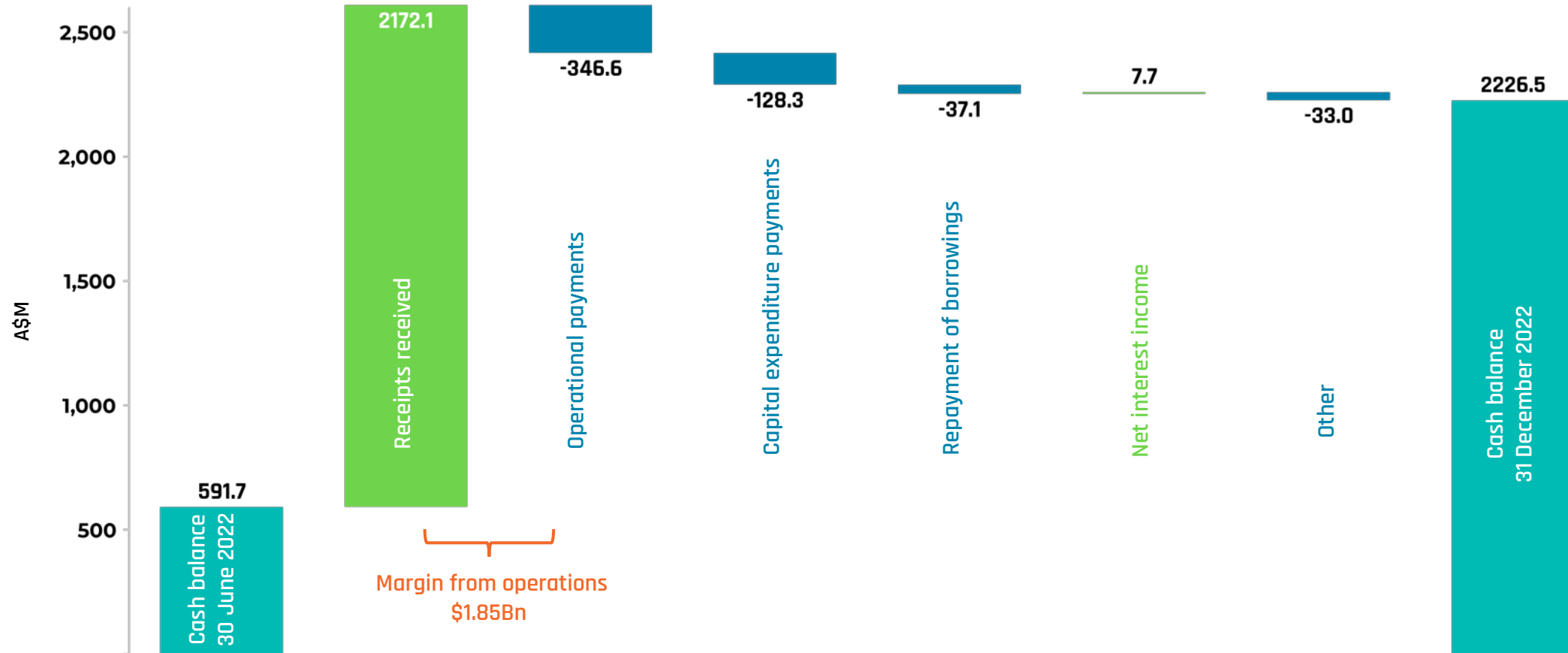
Investment in Capital – H1 FY23	\$M
Capitalised Waste Mining	69.9
P680 Expansion Project	25.9
Plant and Infrastructure Improvements	32.5
Total²	128.3

- **Significant improvement in cash and working capital positions** underpinned by strong operational performance. Period end cash balance of \$2,226.5M.
- **Decrease in secured debt** following \$15.1M repayment of principal on secured debt facility.
- **Capital investments of \$128.3M** (incurred basis) largely relating to waste mine development costs (\$69.9M), P680 Project expansion works which commenced in the period (\$25.9M) and plant and infrastructure improvements (\$32.5M), including:
 - commissioning and ramp up of the Ngungaju Plant;
 - integration and installation of the 6MW solar farm;
 - tailings management facilities; and
 - other sustaining and development capital projects across the Pilgangoora Operation.

¹ In order to provide additional insight into the business, unaudited non-IFRS measures such as "Net Cash" are used, that, in the opinion of the Company's directors, provides useful information to assess the financial performance of the Company over the reporting period. Reconciliations to IFRS measures are provided above.

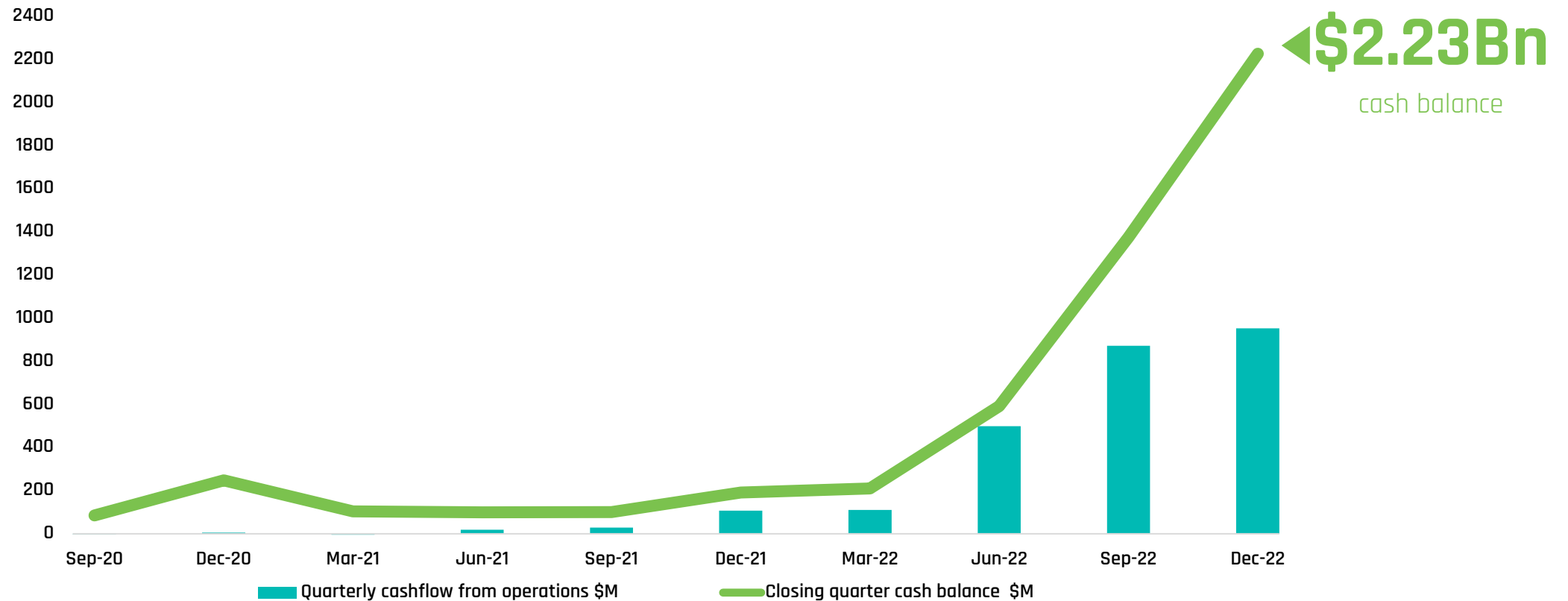
² Excludes right of use assets.

H1 FY2023 Cashflow Waterfall



**Pilbara
Minerals**

Rising Cash Balance - strong production volumes and pricing



**Pilbara
Minerals**

December 2020 Quarter includes receipt of \$173.6M from cornerstone placement and institutional entitlements issue, with funds subsequently used to complete the Altura acquisition in the March 2021 Quarter.

Inaugural Interim Dividend Declared for FY2023

- **11 cents per share (fully-franked)** after applying a target dividend payout ratio of 30% of free cash flow to the FY2023 half year result.
- Total dividend payment to shareholders of \$329.8M.
- **Ex Date:** 2 March 2023 (Thursday)
- **Record Date:** 3 March 2023 (Friday)
- **Payment Date:** 24 March 2023 (Friday)
- **Capital Management Framework** established in November 2022 to prudently allocate capital.
- Capital allocation prioritises safe and reliable operations, balance sheet strength, sustainability commitments/ initiatives, as well as a sustainable dividend to shareholders.
- **Sustainable dividend** targets a dividend payout ratio of between 20-30% of free cash flow¹.
- The Capital Management Framework is structured to support the Company's growth and diversification strategy, with current strong cashflows able to be allocated to organic and inorganic growth opportunities, including substantial upcoming investments in P680 Expansion Project and P1000 Expansion Project (FID pending) and the Mid-Stream Project.
- Franking credits start being earned when the Company commences paying tax from February 2023.



**Pilbara
Minerals**

¹Free cash flow is defined as statutory cashflow from operating activities less tax paid/payable less sustaining capital (inclusive of capitalised waste mine development).

FY2023 Guidance (updated)

Production

Spodumene Concentrate
600-620,000 dmt

Production and marketing strategy for FY2023 is focused on maximising sales volumes by targeting a lower product grade to optimise product yield and maximise concentrate production.

Unit Operating Cost¹

A\$580-A\$610/dmt (FOB Port Hedland ex royalties)
(US\$405-US\$430/dmt²)

¹ Unit operating cost (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 (including accruals), and includes inventory movements, and credits for capitalised mine waste development costs

² at an AUD:USD exchange rate of 0.70

Costs are expected to be higher during FY2023 due to elevated strip ratios in support of further investment in mining activities, labour shortages in the WA mining sector, supply chain disruptions and general inflationary cost pressures, as well as additional costs to complete the Ngungaju plant ramp up to ~180-200ktpa (completed in September 2022 Qtr). Given the current cost challenges being faced by the WA mining sector there remains elevated uncertainty in relation to cost guidance for FY2023.

Beyond 2023 costs are likely to decrease once strip ratios moderate, consistent nameplate production capacity is achieved at Ngungaju, plant throughputs increase, better equipment utilisation rates are achieved, and synergies are delivered from the combined Pilgangoora Operation.

Capital Expenditure

P680 Project (incl. primary rejection, crushing and ore sorting at Pilgan Plant)
\$195.4M

Project Development

\$37.9M

Solar and bore-field integration, Ngungaju optimisation, camp upgrades

Waste Mine Development

\$140M-\$160M

Higher mining strip ratios are required in FY23 to catch up on mine waste development not undertaken when in moderated production, as well as to advance Central, South and Eastern pit development to access sufficient ore to support higher plant throughput, including in preparation for the requirements of the P680 and P1000 Expansion Projects.

Sustaining Capital

\$72.0M

TMF, Maintenance spares, Mining upgrades, Site infrastructure, NPI



**Pilbara
Minerals**

Important Notice: Guidance as to production, unit operating cost and capital expenditure are indicative estimates only and should not be relied upon as a precursor for future performance. Refer to Importance Notices on page 3.

Our Strategy



Pilbara
Minerals

Our strategy

To be a leader
in the provision of
sustainable battery
mineral products

Deliver on our current commitments

**Extract greater value along the battery
minerals supply chain**

Achieve full potential at Pilgangoora

Diversify revenue beyond Pilgangoora



**Pilbara
Minerals**

Operate



Pilbara
Minerals

Production Continuing to Grow



Production



10%

Q on Q
(Q1-Q2 FY23)



**Pilbara
Minerals**

Grow



Pilbara
Minerals

Bolstered Executive Team to Deliver our Strategy



Dale Henderson
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER



Alex Eastwood
CHIEF COMMERCIAL & LEGAL
OFFICER



Brian Lynn
CHIEF FINANCIAL OFFICER



Vince De Carolis
CHIEF OPERATING OFFICER



Sandra McInnes
CHIEF SUSTAINABILITY
OFFICER



John Stanning
CHIEF DEVELOPMENT OFFICER

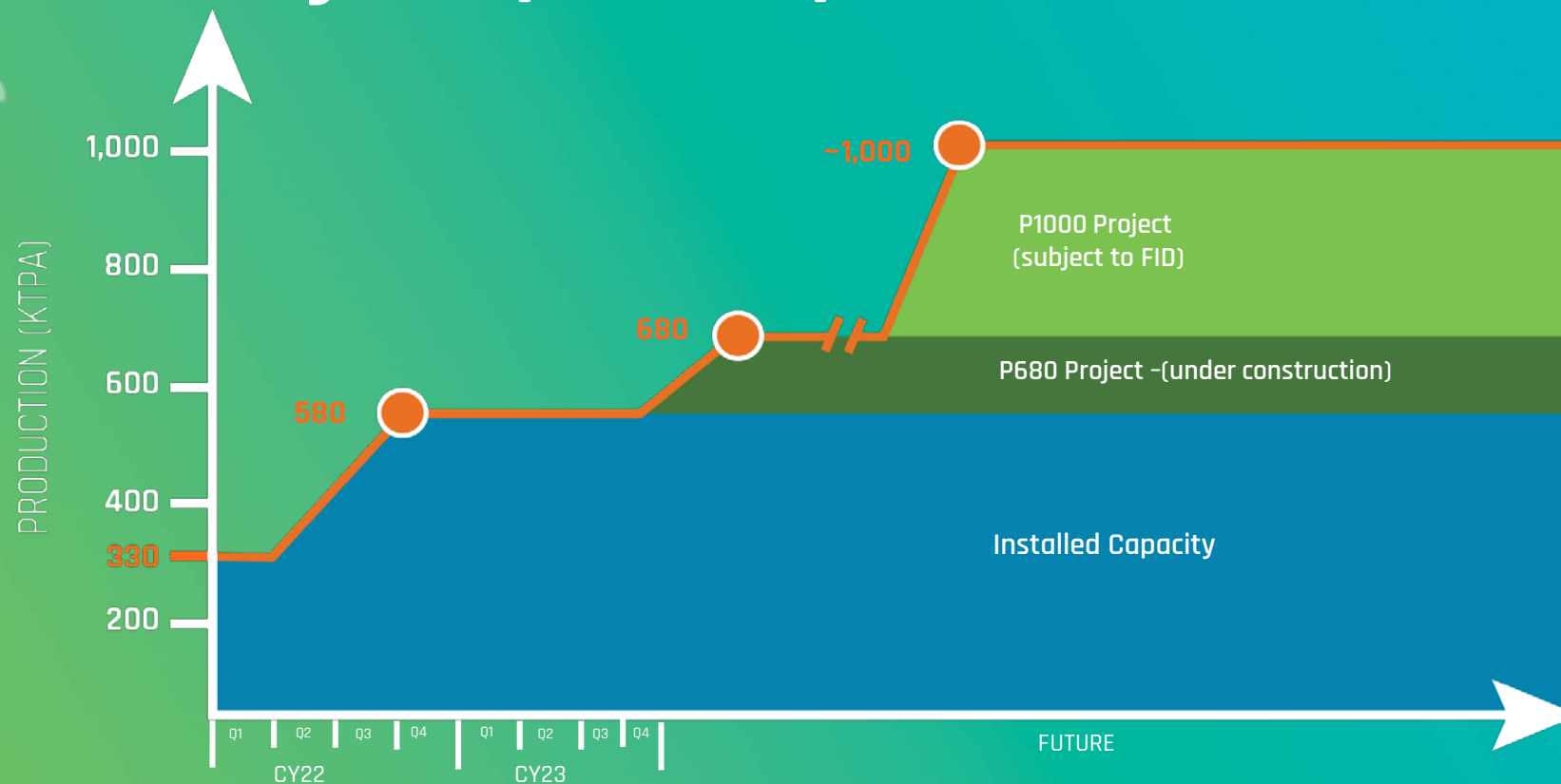


Paul Laybourne
PROJECT DIRECTOR



**Pilbara
Minerals**

Pathway to up to 1Mtpa



P1000 provides unallocated production for further downstream opportunities.

Production capacity of up to 580ktpa is an aggregate spodumene concentrate processing capacity comprising Pilgan Plant nameplate of 360-380ktpa and Ngungaju Plant nameplate of 180-200ktpa.

Production capacity uplift to 680ktpa subject to completion and commissioning of the P680 Project.

Production capacity uplift to 1mtpa subject to completion of studies and FID for the P1000 Project.

Note A: The abovementioned expansions in production capacity of the Pilgan Plant for the P680 and P1000 projects 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 and updated in the Company's 2022 Annual Report. The relevant proportions of proven Ore Reserves and probable Ore Reserves that underpin the production targets are 11% proven Ore Reserves and 89% 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.



**Pilbara
Minerals**

Expansion Pathway to Increase Production up to 1Mtpa

Accelerated growth to capture positive demand conditions and increase revenue

P680 Expansion

- Construction underway
- Revised capital estimate
- On target to meet delivery schedule
- Project construction contract awarded

P1000 Expansion

- \$38.3M pre-FID funding commitment
- Long lead items ordered
- FID scheduled for March Quarter 2023

Value-add



Pilbara
Minerals

Extract Greater Value Along the Battery Materials Supply Chain

POSCO Pilbara Lithium Solutions JV (lithium hydroxide chemicals)

- Construction of chemical facility in South Korea progressing
- Commissioning of the first train targeted to commence from Q4 CY2023, with second train Q1 CY2024



43,000tpa LHM facility under construction in Gwangyang, South Korea

Mid-stream JV (lithium salts >35% Li_2O)

- Innovative “value added” refining process using flash calcination
- Joint venture agreements signed with Calix
- Development of Demonstration Plant at Pilgangoora and future commercialisation of process – FID in June Qtr 2023

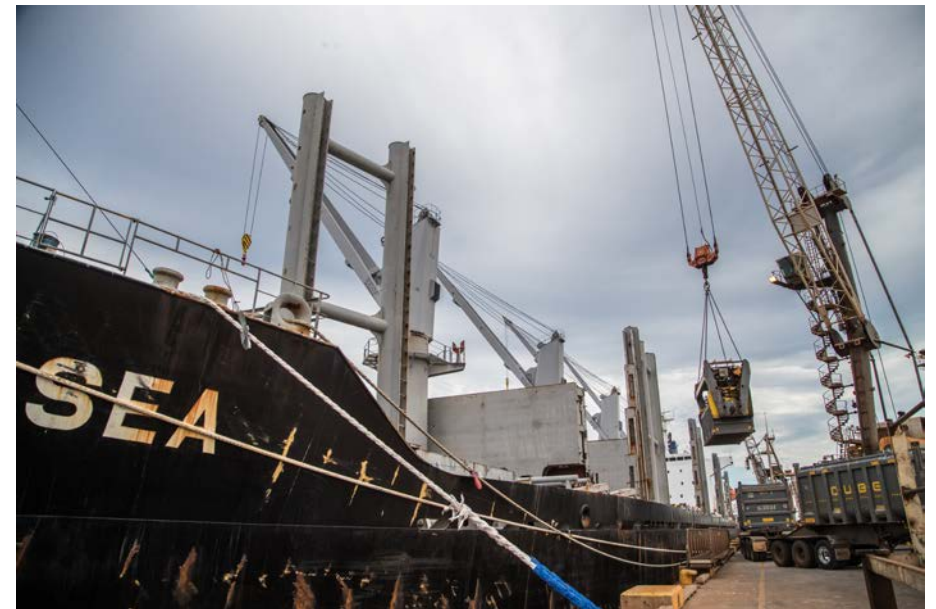


Electric kiln using flash calcination technology developed by Calix

First Spot Sale Linked to Lithium Hydroxide Tolling

Opens the door to future tolling arrangements for unallocated spodumene concentrate

- 15,000 tonne spodumene concentrate spot sale February 2023.
- First of its kind for Pilbara Minerals, utilising new commercial model based on lithium hydroxide tolling.
- Sale is recognised in month of shipment at the prevailing spodumene market pricing.
- The final price is determined the month after shipment based on the prevailing lithium hydroxide price CIF North Asia less VAT less an agreed amount for conversion and selling costs.
- Cash is received for the spodumene on the initial shipment on LC at sight. The final price is received 90 days from shipment
- Based on January's pricing for lithium hydroxide, pricing for the cargo on an SC6.0 basis would be aligned with the most recent SC6.0 price achieved and published by Pilbara Minerals on the BMX platform on 15 December 2022.

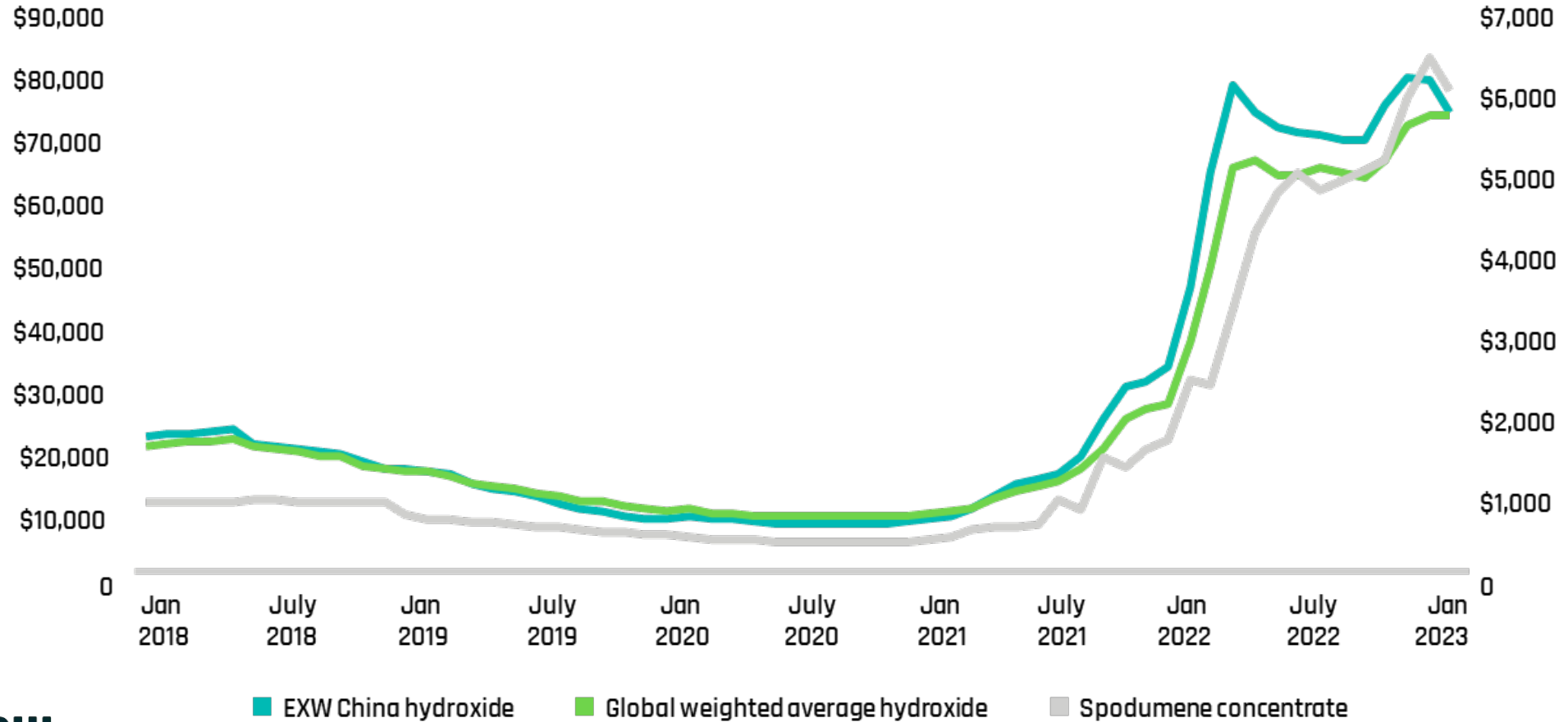


Market



Pilbara
Minerals

Lithium Pricing Remains Strong

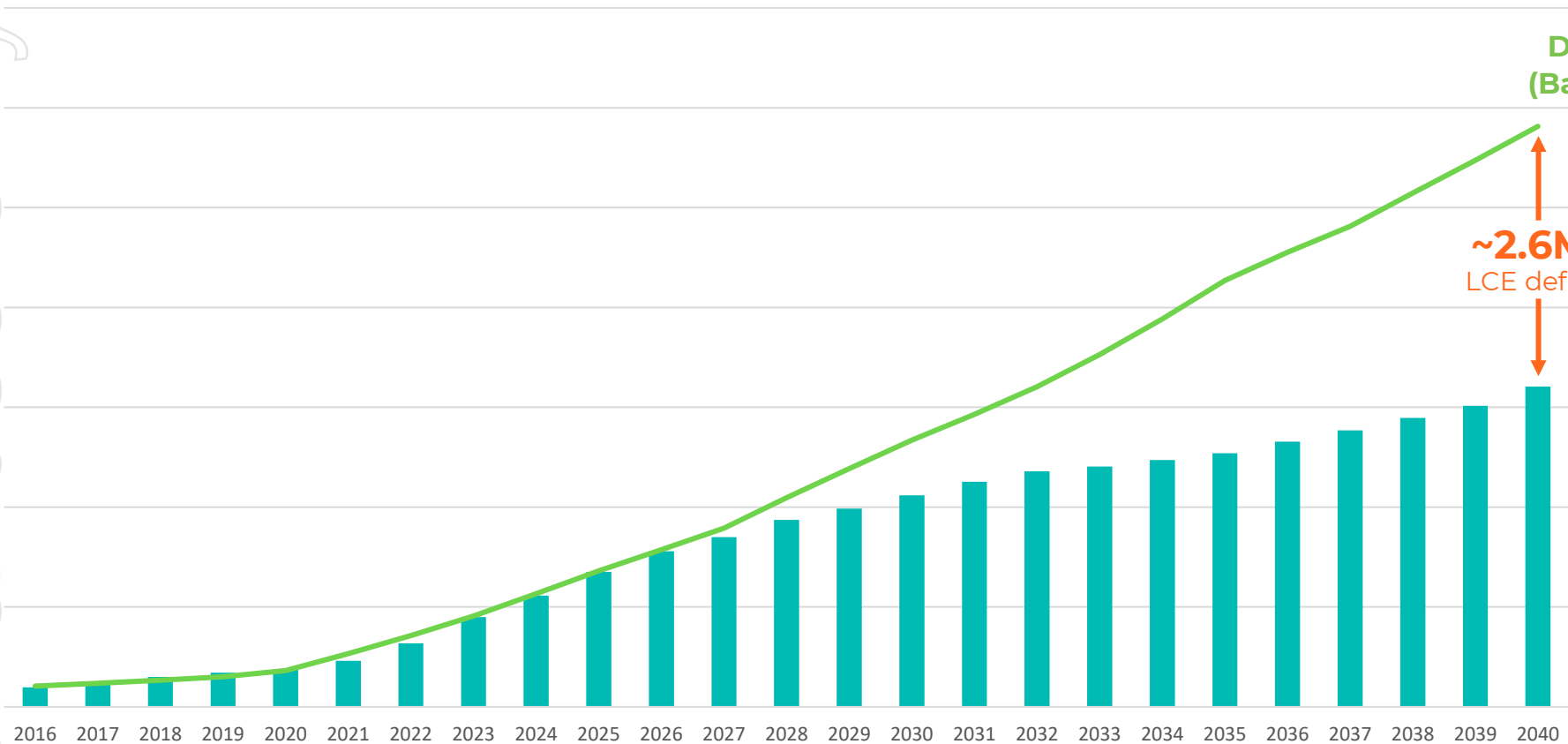


**Pilbara
Minerals**

Source: Benchmark Mineral Intelligence

Lithium deficit

Personal use only



The expected deficit in lithium by 2040 is the equivalent of

~18 

Pilgangooras¹ with likely pricing implications



Source: Benchmark Mineral Intelligence 2022.

1. Assumed Pilgangoora production of 1Mtpa SC6.0, or 60kt of contained Li_2O which has been converted to LCE at a 2.473 conversion factor (148ktpa LCE).

2. Supply case includes all project characterisations probable, possible highly probable, Brownfield Expansion, care and maintenance, operating and secondary.

3. Supply data includes Supply data includes Operational Supply, Secondary (Recycling | Global Supply), Care and Maintenance / Idled Capacity, Brownfield Expansion, Highly Probable, Probable, Possible.

Questions?



**Pilbara
Minerals**

Follow us on



[pilbaraminerals.com.au](https://www.pilbaraminerals.com.au)

ASX: **PLS**