

Pilgangoora: a world class lithium and tantalum project



Ken Brinsden, Managing Director/CEO
March Quarterly Results Call

29 April 2019

ASX: PLS

ACCESS THE QUARTERLY INVESTOR, ANALYST AND MEDIA WEBCAST HERE:

<https://webcasting.boardroom.media/broadcast/5caab20e7b79d12cecb7af5>

Important Notices and Competent Persons Statement

Not an Offer of Securities

This document has been independently prepared by Pilbara Minerals Limited ("Pilbara") and is dated 29/04/2019. 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 securities.

Summary Information

This document contains a summary of information about Pilbara 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 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.

No Liability

The information contained in this document has been prepared in good faith by Pilbara, however no guarantee, representation or warranty expressed or implied is or will be made by any person (including Pilbara 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 is responsible for the preparation of this document. To the maximum extent permitted by law, Pilbara 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 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 and any of its affiliates or advisers may become aware.

Forward Looking Statements

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Pilbara, 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. Actual results, performance, actions and developments of Pilbara 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 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 since the date of this document.

Important Notices and Competent Persons Statement

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 of a statement of opinion in respect of whether to buy, sell or hold a financial product. An investment in Pilbara is considered to be speculative in nature and is subject to known and unknown risks, some of which are beyond the control of Pilbara. 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.

U.S. Securities Laws

Any securities issued by Pilbara have not been and will not be registered by Pilbara under the United States Securities Act of 1933 ("U.S. Securities Act"). Accordingly, such securities may not be offered or sold in the United States except in transactions that are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

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). Recipients should note that while Pilbara's 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 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 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 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.

Acceptance

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

Competent Persons Statements

The Company confirms it is not aware of any new information or data that materially affects the information included in the 17 September 2018 Pilgangoora Mineral Resource estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 17 September 2018.

The Company confirms it is not aware of any new information or data that materially affects the information included in the 17 September 2018 Pilgangoora Ore Reserve estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 17 September 2018.

The Company confirms it is not aware of any new information or data that materially affects the information included in the 16 October 2018 Pilgangoora Exploration Target* and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 16 October 2018.

* **Note to Exploration Target:** The potential quantities and grades of the Exploration Target are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the estimation of a Mineral Resource.

Highlights March Quarter 2019

Pilgangoora Lithium-Tantalum Project: from first drill hole to production in under four years

Declaration of commercial production 1 April 2019

Quarterly sales:

- 38,562dmt of spodumene concentrate (SC6.0)
- 30,356lbs tantalite concentrate (+5% Ta₂O₅)

Steady production growth - 52,196dmt of spodumene concentrate (despite weather impacts)

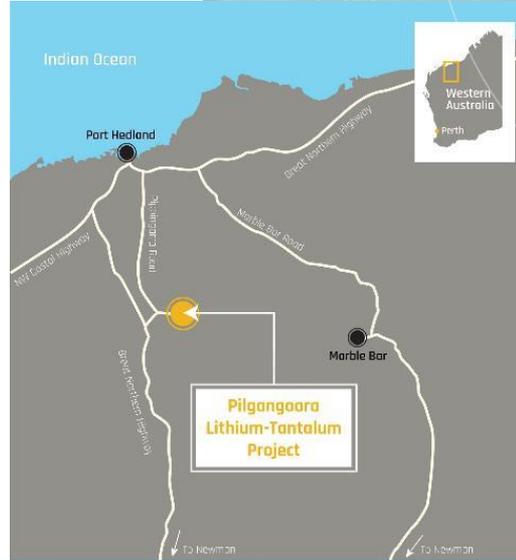
Improving lithia recovery trend

Positive Stage 3 Scoping Study results released for proposed expansion to 7.5Mtpa

Partnering process commenced to consider Stage 3 offtake, chemical facility development and sale of minority project-level interest (20-49%)

Board exercises option to participate in POSCO JV for 40ktpa chemical conversion facility subject to due diligence and financing (FID due Jun Qtr 2019)

- Receipt of A\$50M equity from Ganfeng Lithium



Production and sales

Consistent production and customer sales for the March Quarter

Production and sales

	Units	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19
Direct Shipping Ore (DSO) sold	<i>wmt</i>	-	145,974	205,766	0 ²	0 ²
Spodumene concentrate produced	<i>dmt</i>	-	-	11,015	47,859	52,196
Spodumene concentrate sold	<i>dmt</i>	-	-	0	46,598 ¹	38,562
Tantalite concentrate produced	<i>lb</i>	-	-	22,151	56,663	33,374
Tantalite concentrate sold	<i>lb</i>	-	-	7,378 ¹	27,821	30,356 ³

¹ Concentrates have been adjusted following final results.

² The DSO program was suspended in Q2 FY19.

³ Sales estimates pending final assays results.

Stocks

	Units	Q1 FY19	Q2 FY19	Q3 FY19
ROM stockpile	<i>dmt</i>	N/A ¹	487,292 ³	520,606
Coarse ore stockpile	<i>dmt</i>	N/A ¹	82,430	96,139
Spodumene concentrate stocks	<i>dmt</i>	17,677 ²	17,266 ²	30,900 ²
Tantalite concentrate product stocks	<i>lb</i>	14,774 ⁴	43,616 ⁴	46,634

¹ No previous reporting for period due to completion of build and commissioning phase.

² Includes low-spec stocks produced during initial commissioning phase which are expected to be sold over time.

³ Prior quarter results have been adjusted to reflect the re-classification of certain ore tonnes to mineralised waste.

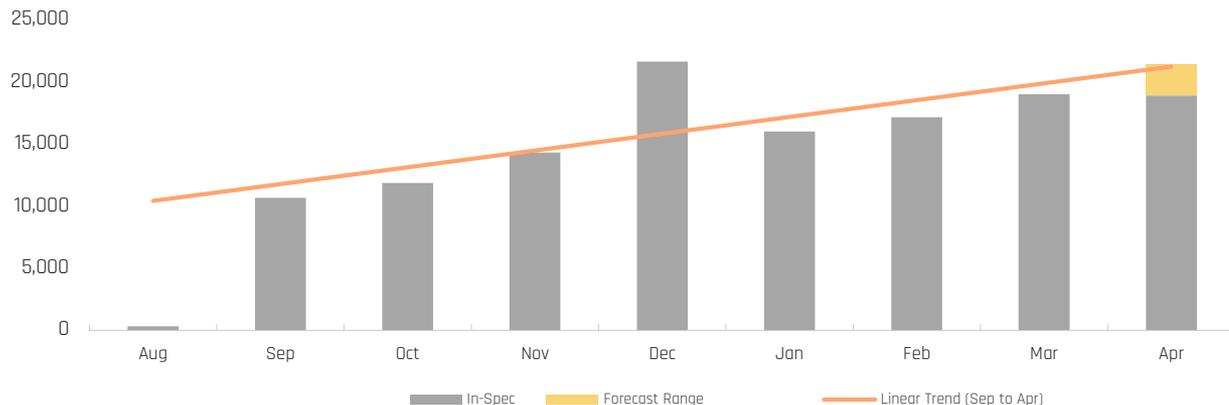
⁴ Concentrates adjusted following final sales results.



Production trend

Steady increase in spodumene concentrate production as processing plant is further optimised for lithia recovery and throughput

Spodumene concentrate production (dmt)



¹ April production is unreconciled production to 27 April 2019, with an estimate of expected production to April 2019 month end.

Forecast April production estimate of 20–22kt (dmt, SC6.0 basis) driven by improving lithia recovery trend

Adjustments to the Pilgangoora plant are delivering planned recovery improvements:

- March 26 to April 18 recovery (unreconciled) of 63% (SC6.0 basis), representing approx. 85% of design (75% lithia recovery)
- 9th April to 18th April recovery (unreconciled) of 65% (SC6.0 basis)

- A total of 52,196 dmt (dry metric tonnes, SC6.0 basis) spodumene concentrate produced during the March Quarter



Corporate update

Declaration of commercial production, option exercised to participate in POSCO downstream JV and receipt of customer equity funding underpins a strong quarter.

Commercial production declared following sustained performance across:

- Production - steady and trending towards design capacity
- Feed-rate - achieved plant design of 270t per operating hour
- Product quality - achieved, meeting customer specification
- Recovery rates - average achieved were stable, albeit below planned

Proposed 30% JV with POSCO

- Board exercised option to participate in JV subject to final due diligence, financing and final JV terms
- Final investment decision June Qtr 2019

Cash balance

- \$103.9M cash in bank as of 31 March 2019
- Receipt of A\$50M equity from Ganfeng Lithium and A\$36M from product sales

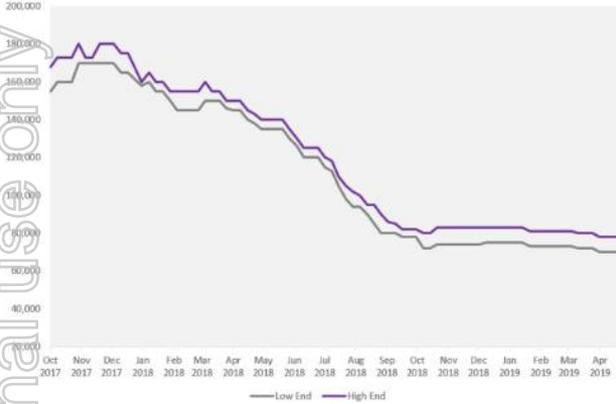


Global lithium chemicals pricing

Source: FastMarkets MB, Friday April 26 2019

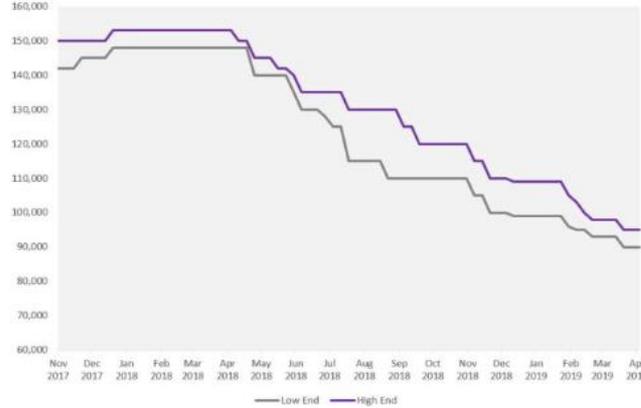
Lithium carbonate ex-works domestic China

Lithium carbonate min 99.5% Li_2CO_3 battery grade, ex-works domestic China, yuan per tonne



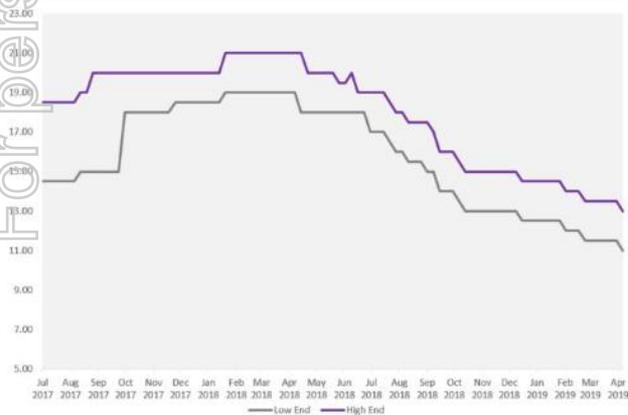
Lithium hydroxide ex-works China

Lithium hydroxide monohydrate min 56.5% $\text{LiOH}\cdot\text{H}_2\text{O}$ battery grade, ex-works domestic China, yuan per tonne



Lithium carbonate cif China, Japan and Korea

Lithium carbonate min 99.5% Li_2CO_3 battery grade, CIF China, Japan & Korea, \$ per kg



Lithium hydroxide cif China, Japan and Korea

Lithium hydroxide monohydrate min 56.5% $\text{LiOH}\cdot\text{H}_2\text{O}$ battery grade, CIF China, Japan & Korea, \$ per kg



China domestic pricing continues to stabilise, relative to 2018 outcomes

Ex-China pricing has remained relatively strong, particularly in the hydroxide segment



Stage 3 partnering process

Partners to be considered for Stage 3 offtake, chemical plant and project expansion

Potential sale of
minority project
level interest
20 - 49%

Support funding
package Stage 2
and 3 expansion

Stage 3 offtake
and further
diversification
downstream

Fully integrated
lithium raw
materials and
chemicals supplier

For personal use only

Exceptional growth opportunity

A clear expansion pathway to meet customer growth requirements

For personal use only

STAGE 1: 2MTPA

STAGE: Operations

STATUS: Production and shipments

PRODUCTION: 330,000tpa ~6% spodumene concentrate
321,000lbspa +5% and tantalite concentrate

OFFTAKE: Stage 1 and 2 spodumene concentrate
100% under agreement

STAGE 2: 5MTPA

STAGE: DFS and FID complete

STATUS: Financing underway

PRODUCTION: 800-850,000tpa~6% spodumene concentrate
800,000lbspa +5% tantalite concentrate

OFFTAKE: Stage 1 and 2 spodumene concentrate
100% under agreement

STAGE 3: UP TO 7.5MTPA

STAGE: Proposed

STATUS: Scoping study complete
PFS initiated

PRODUCTION: up to 1.2Mtpa ~6% spodumene concentrate
1,100,000lbspa +5% tantalite concentrate

OFFTAKE: Partnering process underway
Proposed chemical conversion plant

What sets us apart?

For personal use only

1



World class lithium resource

The Pilgangoora Project is one of the premier hard-rock lithium-tantalum resources globally (by size and grade) where there is both spodumene concentrate offtake and a joint venture position available, with Tantalite by-product credits.

2



Low cost operation

Forecast LOM cash cost of US\$291/t¹ (net of tantalum by-products) with the Pilgangoora Project's cost position benefiting from high grade, scalable mining operations, low strip ratio and tantalum by-products.

3



Quality product and customers

Pilbara Minerals has secured long-term offtake arrangements with world-class customers to support Stage 1 and Stage 2 production and has consistently delivered high quality products to market that meet customer requirements.

4



Clear expansion pathway

A three-phased growth strategy that includes expansion to 7.5Mtpa processing capacity (1.2Mtpa spodumene concentrate), development of a lithium hydroxide conversion facility and exploration target set to drive mine life extension.

5



Proven operator

Pilbara Minerals has a highly experienced management team who have led the Pilgangoora Project from first drill hole to production in under 4 years and successfully met high quality 6% battery grade product requirements.

6



Exploration upside

Pilbara Minerals plans to extend the mine life of the Pilgangoora Project through Resource conversion and further discoveries from its 50 - 90Mt of exploration targets which include potential near-surface tonnes.

7



Diversification into downstream processing

Through its joint venture with POSCO and the evaluation of a proposed secondary lithium chemical conversion facility in either Australia or overseas, Pilbara Minerals is positioned to expand its operations into the high-value lithium chemical market.

1. Metrics based upon Pilbara Minerals' Stage 3 Scoping Study, constrained by JORC Reserves of 108Mt



Pilbara Minerals

...Powering a sustainable energy future

For personal use only



ASX: PLS
pilbaraminerals.com.au