APPENDIX 4D: HALF-YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Results for announcement to the market

Current Reporting Period: 6 months ending 31 December 2020
Previous Reporting Period: 6 months ending 31 December 2019

	31 December 2020 $'000	31 December 2019 '$000	Change '$000	%
Revenue from ordinary activities	59,097	37,768	21,329	56.5%
Profit/(loss) from ordinary activities after tax attributable to members	(21,159)	(63,387)	42,228	66.7%
Net Profit/(loss) for the period attributable to members	(21,159)	(63,387)	42,228	66.7%

Dividends

No dividends have been declared or paid during or since the beginning of the current reporting period (Year ended 30 June 2020: Nil).

Net Tangible Assets

	31 December 2020	31 December 2019
Net tangible asset per security	**$0.20**	$0.17

Changes in Controlled Entities

There have been no gains or losses in control over entities during the period ended 31 December 2020.

Joint Ventures

Joint Ventures	**Principal activities 2021**	**31 December 2020**
Mount Francisco JV	Exploration	70%

The joint arrangement listed above is classified as a joint operation and is not a separate legal entity. The Mount Francisco JV is a contractual arrangement between participants for the sharing of costs and outputs and does not generate revenue or profit.

Audit Review

This Report is based on consolidated financial statements for the half-year ended 31 December 2020 which have been reviewed by KPMG.

Other Information Required by Listing Rule 4.2A.3.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' report and the Consolidated Financial Statements for the half-year ended 31 December 2020.

TEL +61 8 6266 6266
FAX +61 8 6266 6288
WWW.PILBARAMINERALS.COM.AU

LEVEL 2, 88 COLIN STREET
WEST PERTH WA 6005, AUSTRALIA
ABN 95 112 425 788

Pilbara Minerals

ABN 95 112 425 788

Interim Financial Report

31 December 2020

CONTENTS

DIRECTORS' REPORT

Your Directors present their report on the Group consisting of Pilbara Minerals Limited **("Pilbara Minerals or the Company")** and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The Directors of the Company who held office during the half-year and up to the date of this report are stated below. Directors were in office for this entire period unless otherwise stated.

Anthony Kiernan AM	Non-Executive Chairman
Ken Brinsden	Managing Director
Steve Scudamore	Non-Executive Director
Nicholas Cernotta	Non-Executive Director
Sally-Anne Layman	Non-Executive Director

REVIEW OF OPERATIONS

A number of key milestones were achieved by Pilbara Minerals, both during and subsequent to the half-year ended 31 December 2020, including:

- improved demand conditions for spodumene concentrate resulting in increased tonnes being shipped and higher spodumene concentrate tonnes being produced compared to the prior period;
- refinance of the USD100M Nordic Bond senior secured debt facility with a USD 110M syndicated debt facility with BNP Paribas and Clean Energy Finance Corporation, on more favourable terms; and
- agreement to acquire the Altura Lithium Project (**Altura Project**) through the acquisition of the shares in Altura Lithium Operations Pty Ltd (**ALO**), the company that owns the Altura lithium assets. The acquisition was funded by a fully underwritten equity raising totalling $240M, which completed subsequent to the reporting period.

Further details of the Company's operations during the period are provided below.

Pilgangoora Lithium-Tantalum Project

The half year was characterised by improving demand conditions reflected in 70,609 dry metric tonnes ("dmt") of spodumene concentrate being shipped to existing offtake customers in the December quarter. For the half year 114,239 dmt of spodumene concentrate was shipped (previous half year: 53,222 dmt). Whilst there was an improvement in sales volumes, customer pricing remained weak during the half-year across the entire lithium raw materials and chemical supply chain, although evidence started to emerge towards the end of the December 2020 quarter and into January 2021 of a material lift in lithium chemicals pricing within China, with Platts China Domestic Battery Grade lithium carbonate pricing up over 60% from the lows in August 2020.

In response to improved market conditions, the Company increased mining and production activities to better align production levels with customer demand requirements. Total material mined in the half-year increased to 1,789,198 wet metric tonne (wmt) (previous half-year: 678,420 wmt) from the Central Pit at a mined head grade of 1.46%. Mine head grades of 1.46% were slightly elevated during the half-year in comparison to the average life-of-mine head grade of 1.25%, which is consistent with the original mine development plan that anticipated slightly higher grades in the first few years of mining.

Table 1: Total ore mined and processed

	Units	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Ore mined	*wmt*	4,954	438,070	372,468	466,121
Waste mined	*wmt*	21,775	213,621	338,461	612,147
Total material mined	*wmt*	26,729	651,691	710,930	1,078,268
Ore processed	*dmt*	137,407	199,961	360,227	381,973

For the half-year 126,116 dmt of spodumene concentrate was produced (previous half-year: 36,033dmt), consistent with higher sales volumes. The uplift in plant operational performance over the half-year resulted from a combination of increased plant feed, improved plant utilisation (approximately 70-75%) and improved lithia recoveries following the completion of certain plant improvement initiatives. This improvement in plant performance contributed to a lower unit cash operating cost[1] of $487/dmt CIF China (USD 352/dmt) for the half year.

Table 2: Production and shipments

	Units	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Spodumene concentrate produced	*dmt*	20,251	34,484	62,404	63,712
Spodumene concentrate shipped	*dmt*	33,729	29,312	43,630	70,609
Tantalite concentrate produced	*lb*	3,600	23,404	32,881	28,456
Tantalite concentrate delivered	*lb*	33,970	23,232	25,222	18,541

As at 31 December 2020 the Company held 30,911 dmt of spodumene concentrate stocks on hand, of which ~23,000 dmt were subsequently shipped to customers in January 2021.

Table 3: Stockpiles

	Units	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Spodumene concentrate	*dmt*	11,286	17,978	36,303	30,911
Tantalite concentrate	*lbs*	18,379	18,551	26,210	36,124

1. Cash operating cost includes mining, processing, transport, state and private royalties, native title costs, port, shipping/freight, and site based general and administration costs and are net of Ta_2O_5 by-product credits. Cash operating costs are calculated on an incurred basis (including accruals) and include inventory movements.

Health and Safety

There were no recordable safety incidents during the December 2020 quarter and two minor recordable safety incidents that resulted in temporary restricted work duties in the September 2020 quarter.

Managing the health and safety of employees and contractors during the half year whilst continuing business was a priority for the Company during the COVID-19 pandemic. The risk of community transmission in Western Australia remained relatively low during the half-year and the Company followed Western Australian government health advice and maintained a high level of diligence in relation to COVID-19. Pre-flight heath screening, and workplace sanitation and cleaning across all sites remained in place during the half-year. Other control measures including dedicated company charter flights, roster changes, work from home arrangements and face masks aimed at limiting contact and travel movements have been and will continue to be promptly deployed based on health advice. The Company regularly engages with government and industry and has a dedicated COVID-19 internal response group to respond quickly to changing circumstances.

Project Development

The combined Pilgangoora mineral resource (including the recently acquired Altura Project) provides substantial opportunity and flexibility for the Company in respect of future production capacity, scaleability and expansion pathways. The Company is currently evaluating the integration of the Altura Project, including a comprehensive evaluation of the combined lithium operations and the realisation of tangible synergies, as part of its future operating strategy. This evaluation will be concluded during the remainder of FY21, during which time the Altura Project will remain on care and maintenance. Any increase in production capacity will only occur once there is clear evidence of a sustained improvement in customer demand and pricing to support investment decisions and capital commitments.

The Company continued work on existing plant improvement initiatives during the half-year, including a strategic 6-day throughput trial to identify production bottlenecks. The Company plans to commence a series of plant improvement projects in the second half of FY21 that are expected to unlock an additional 10-15% (~30-50ktpa) of production capacity.

POSCO Joint Venture (JV)

The opportunity to develop and operate a 40ktpa lithium hydroxide and carbonate downstream chemical conversion facility in South Korea in joint venture with POSCO remains a key strategy of the Company. During the half-year POSCO continued to undertake further technical evaluations on the design of the proposed chemical conversion facility prior to progressing the downstream joint venture (JV) with Pilbara Minerals. Both companies remained committed to the JV however its progression and timing is dependent on market conditions, POSCO completing their technical evaluations, due diligence, formal documents, and a final investment decision by both companies.

Exploration

During the half-year, a short reverse circulation grade control drilling program was carried out within the active Pilgangoora mining area. The program included a total of 67 holes for 1,328 metres largely focused on the footwall domain within the Central Pit.

Further, the Company completed geo-metallurgical studies on the various ore types present across the Pilgangoora Project. Results have provided geochemically based modelling criteria that enables discrimination of pegmatite ore types that may ultimately assist in alternate ore blending strategies to further optimise lithia yield.

Sustainability

The Company continued to work on finalising its sustainability strategy and plan during the half-year. Following an in-depth analysis of current market conditions, sustainability trends and the Company's material topics workshops were held with the Sustainability Working Group to prioritise initiatives and areas for the strategy's development. This strategy and plan are now being finalised and on track to be disclosed in the FY21 Sustainability Report.

During the half-year, work also commenced on reviewing compatible standards for sustainability reporting and identifying the appropriate metrics to measure the Company's performance. In line with the Company's forward plan, management frameworks and systems will be in place to support consistent reporting and disclosure in forthcoming sustainability reports.

Culture and people remained a priority during the half-year with significant work undertaken relating to company culture and mental health. Recognising that culture stems from the top, Pilbara Minerals' Executive Leadership Team facilitated several employee workshops to share Pilbara Minerals' history, purpose and culture. To support this work, 25 front-line leaders completed a two-day leadership course through the Australian Institute of Management.

Further to the Company's broad participation in Movember (the international mental health initiative), mental health ambassador Soa 'the Hulk' Palelei toured the Pilbara with the Company engaging with South Hedland High School, Yandeyarra Remote Community School and the Pilgangoora Operation, to increase awareness and further break-down the stigmas associated with of mental illness. To support gender diversity and the progression and retention of employees at both Pilbara Minerals and across the mining industry more broadly, the Company provided another four opportunities for employees to participate in the Western Australian Women in Mining mentoring program.

Corporate

During the half-year, Pilbara Minerals executed formal agreements for a low-cost senior secured USD 110M Finance Facility (**Finance Facility**) with leading international bank, BNP Paribas, and Australia's specialist clean energy investor, the Clean Energy Finance Corporation (CEFC).

During September 2020, the Company completed the drawdown of the Finance Facility, with proceeds applied to redeem the outstanding balance owed under the USD 100M senior secured Nordic Bond (**Nordic Bond**), inclusive of an early redemption premium and related transaction costs.

As part of the refinancing, a USD 15M Working Capital Facility was renewed by BNP Paribas under the Finance Facility, however it remained undrawn at 31 December 2020.

The Finance Facility will provide substantial cost savings when compared to the Nordic Bond, with an average interest rate of ~5% based on market reference rates in existence at the time the Finance Facility was executed. Importantly, it also provides an extended grace period ahead of when quarterly principal repayments commence from September 2022.

Following a formal sale process undertaken by the Receiver and Manager of ALO, Pilbara Minerals entered into a Share Sale Agreement during the half-year with Altura Mining Limited (Receivers and Managers Appointed and Administrators Appointed) to acquire all of the shares in ALO, the entity which owns 100% of the Altura Project, for USD 175M[2].

2. Comprises an upfront cash consideration of USD 155M and deferred consideration of at least $28M (USD 20M at 28 October 2020 based on a $0.4072 share price at that date), payable by the issue of ~69M Pilbara Minerals' shares (or cash equivalent). The fair value of the deferred consideration will vary with the Pilbara Minerals share price during the deferred consideration period, with a minimum value of $28M payable. Refer to ASX Announcement dated 1 December 2020 for further information.

To fund the acquisition of ALO, Pilbara Minerals commenced a $240M equity raising (before costs) during the half-year, which was fully underwritten by Australian Super Pty Ltd in its capacity as trustee for Australian Super (**AustralianSuper**) and Resource Capital Fund VII L.P (**RCF**). The $240M equity raising was completed in three tranches comprising a $119M private placement (Tranche 1) to RCF and AustralianSuper and a $60.7M institutional equity entitlement offer (Tranche 2), which were both completed during the half-year. The Tranche 3 retail equity entitlement offer was completed in January 2021 raising a further $60.6M.

Subsequent to the end of the half-year, the acquisition of ALO was successfully completed.

Further details regarding the acquisition are detailed in the Events Subsequent To Reporting Date note in this report.

Operating Result

The following table provides additional information on the Company's result for the half-year and specifically reconciles the cash gross margin[2] to the statutory net loss for the period.

	HY21	HY20
Revenue from contracts with customers	59,097	37,768
Operating cost of sales [1]	(50,973)	(39,603)
Cash gross margin [2]	**8,124**	**(1,835)**
Depreciation and amortisation	(12,617)	(6,520)
Inventory movement	5,106	(10,774)
Gross profit/(loss)	**613**	**(19,129)**
Expenses Corporate general and administration expense	(5,450)	(6,874)
Acquisition costs expense [3]	(1,555)	-
Exploration and feasibility costs expensed	(2,142)	(4,001)
Depreciation and amortisation expense	(262)	(319)
Inventory write down	-	(21,155)
Share based payment expense	(2,367)	(568)
Operating loss	**(11,163)**	**(52,046)**
Finance income	107	488
Finance costs - interest and loan costs	(7,537)	(11,563)
Amortisation borrowing costs [4]	(2,769)	-
Call premium cost expensed [5]	(5,948)	-
Finance costs - foreign exchange (loss)/gain	6,151	(266)
Net financing costs	**(9,996)**	**(11,341)**
Loss before income tax expense	**(21,159)**	**(63,387)**
Income tax expense	-	-
Net loss for the period	**(21,159)**	**(63,387)**

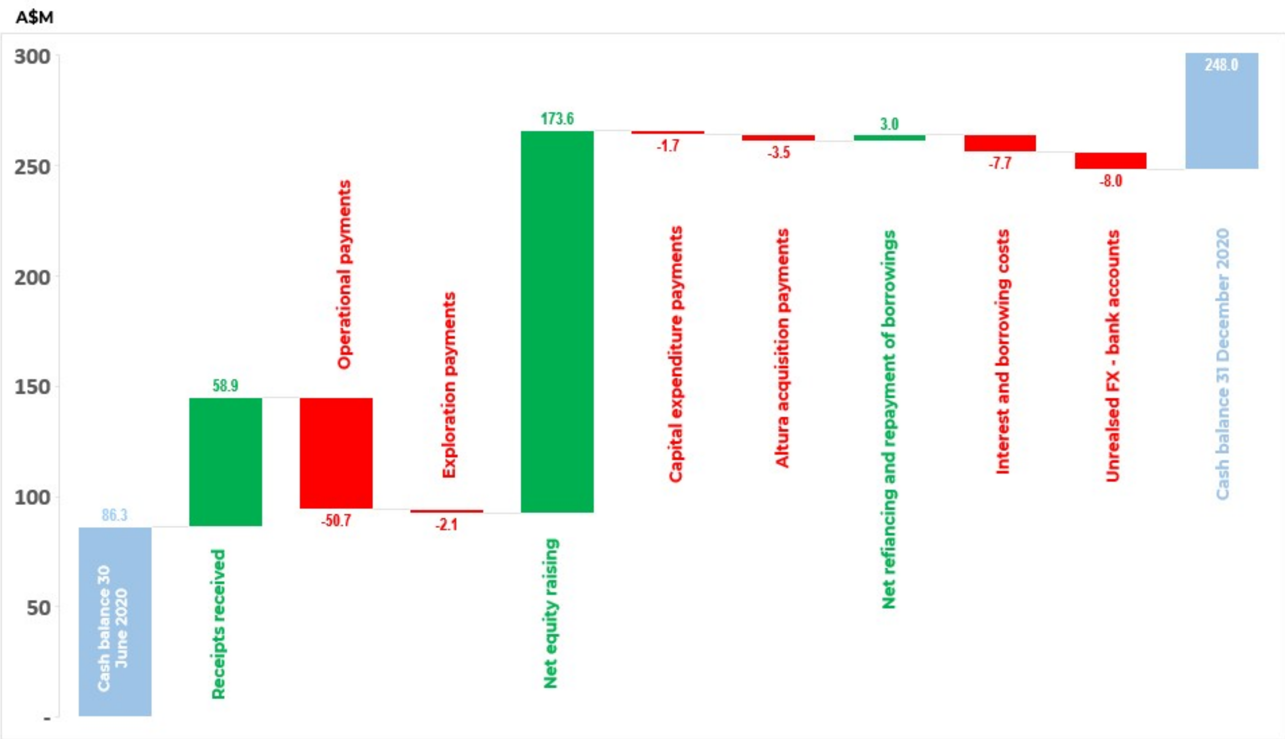
1. Operating cost of sales includes mining, processing, transport, state and private royalties, native title costs, port, shipping/freight, and site based general and administration costs and are net of Ta_2O_5 by-product credits.
2. The cash gross margin is a non-IFRS measure that in the opinion of the Company's directors provides useful information to assess the financial performance of the Company over the reporting period. This non-IFRS measures is unaudited.
3. Q2 HY21 includes $1.6M of costs associated with the Altura Project acquisition.
4. Residual Nordic Bond borrowing costs of $2.2M were expensed following repayment of the bond in Q1 HY21.
5. The repayment of the Nordic Bond debt facility included an early redemption call premium payment of $5.9M in Q1 HY21.

Liquidity

The Company's cash balance at 31 December 2020 was $248.0M, an increase of $161.7M compared to 30 June 2020 (30 June 2020: $86.3M). Significant cashflow movements are summarised in the graph below.

Major cash inflows and outflows during the half-year included:

- a net inflow of $8.2M related to operational activities, represented by customer receipts of $58.9M and payment to suppliers and employees of $50.7M;
- Altura Project acquisition payments of $3.5M, inclusive of a $2.5M loan provided to the receiver of ALO which was repaid in January 2021;
- Interest and borrowing cost payments (including leases) of $7.7M;
- payments of $3.8M on capital expenditure and exploration activities;
- cash proceeds of $173.6M (net of costs) from the equity raising to fund the acquisition of the Altura Project;
- net cash proceeds of $3.0M following refinance of the Nordic Bond facility with the US$110M Finance Facility provided by BNP Paribas and CEFC, inclusive of an early redemption call premium of $5.9M related to the early repayment of the Nordic Bond and $6.4M of borrowing costs associated with the Finance Facility; and
- foreign currency loss of $8.0M largely related to the impact of the strengthening AUD:USD exchange rate on the Company's USD denominated cash reserves, established ahead of the settlement of the Altura Project acquisition in January 2021.



SIGNIFICANT CHANGES

There have been no changes in the state of affairs of the consolidated entity that occurred during the half-year under review not otherwise disclosed in this report.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 31 December 2020, the Company completed the acquisition of ALO in January 2021, thereby securing 100% ownership of the neighbouring Altura Project. Settlement occurred following approval of an ALO Deed of Company Arrangement (DOCA) by the creditors of ALO which had the effect of extinguishing the previous liabilities of ALO.

In November 2020, the Company entered into a Share Sale Agreement with Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) (Altura) and Richard Tucker and John Bumbak in their capacity as joint and several receivers and managers of Altura (Receivers) for the acquisition of the shares in ALO, for a total consideration of USD 175M[3], inclusive of a deferred consideration of USD 20M to be paid in cash or shares up to 12 months after completion. The fair value of this deferred consideration will vary with the Company share price during this period up to 12 month after completion.

The upfront consideration of USD 155M was funded through a three tranche equity raising which comprised a $119M Tranche 1 private placement to RCF and AustralianSuper and a $60.7M Tranche 2 institutional entitlement equity offer raising, both of which were completed in December 2020. The Tranche 3 retail equity entitlement offer raising of $60.6M was completed in January 2021 prior to the settlement of the Altura Project acquisition.

Following completion of the acquisition in January 2021, the Company will apply the principles of AASB 3 Business Combinations to record the acquisition and identify and determine a fair value for the assets acquired and the deferred consideration to be settled in the future. In accordance with AASB 3 all costs associated with the acquisition will be expensed.

The acquisition creates the largest, independent hard rock lithium mining and processing operation in the world with customer offtake capacity. The two processing plants will provide a more resilient and flexible operation with opportunities to blend products to suit customer and market requirements, and the ability to increase production when lithium market conditions improve. Consolidation of the Altura Project with the Company's existing operations should deliver tangible synergies, economies of scale and unlock sterilised ore reserves.

The Altura Project will initially remain on care and maintenance while work is undertaken on the Company's future operating strategy, which includes a comprehensive evaluation of the combined lithium operations and the realisation of tangible synergies.

Subsequent to 31 December 2020, in February 2021 the Western Australian Government announced a COVID-19 5 day lockdown for Perth, Peel and South West regions of Western Australia. The Company promptly responded with working from home arrangements for Perth based staff, implementation of health advice and updated pre-screening declarations. Minesite operations were largely unaffected by the Government directives however the roster was extended by a few days and a company charter flight organised to limit travel movements within the state during this period.

Other than as disclosed above, there has not been any other matter or circumstance that has arisen since the end of the half-year which has significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial periods.

3. Comprises an upfront cash consideration of USD 155M and deferred consideration of at least $28M (USD 20M at 28 October 2020 based on a $0.4072 share price at that date), payable by the issue of ~69M Pilbara Minerals' shares (or cash equivalent). The fair value of the deferred consideration will vary with the Pilbara Minerals share price during the deferred consideration period, with a minimum value of $28M payable. Refer to ASX Announcement dated 1 December 2020 for further information.

RESULT OF OPERATIONS

The Company's consolidated loss after tax for the half-year ended 31 December 2020 was $21,159,000 (31 December 2019: loss after tax of $63,387,000). This comprised of a gross profit of $613,000 (31 December 2019: gross loss of $19,129,000) and finance costs of $10,103,000. The Company's basic loss per share for the period was 0.93 cents per share (31 December 2019: 3.13 cents).

No dividend has been paid during or is recommended for the half-year ended 31 December 2020 (31 December 2019: $Nil).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the legislative instrument, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, KPMG, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 11 and forms part of this Directors' Report for the half-year ended 31 December 2020.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This report 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 report are to Australian currency, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Anthony Kiernan AM
Chairman
Dated this 19th day of February 2021

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Pilbara Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Pilbara Minerals Limited for the half-year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Derek Meates
Partner

Partner

19 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

	Notes	31 December 2020 $'000	31 December 2019 $'000
Revenue from contracts with customers	2.1	59,097	37,768
Cost of sales	2.2	(58,484)	(56,897)
Gross (loss)/profit		**613**	**(19,129)**
Expenses			
General and administration expense		(5,450)	(6,874)
Acquisition costs expensed		(1,555)	-
Exploration and feasibility costs expensed		(2,142)	(4,001)
Inventory write-down	2.3	-	(21,155)
Depreciation and amortisation expense		(262)	(319)
Share based payment expense	2.4	(2,367)	(568)
Operating loss		**(11,163)**	**(52,046)**
Finance income		107	488
Finance costs		(10,103)	(11,829)
Net financing costs	2.5	**(9,996)**	**(11,341)**
Loss before income tax expense		**(21,159)**	**(63,387)**
Income tax expense		-	-
Net loss for the period		**(21,159)**	**(63,387)**
Other comprehensive income			
Changes in the fair value of other financial assets		-	-
Total comprehensive loss for the period		**(21,159)**	**(63,387)**
Basic and diluted loss per share for the period (cents per share)		(0.93)	(3.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31 December 2020 $'000	30 June 2020 $'000
Assets			
Current assets			
Cash and cash equivalents		247,987	86,250
Trade and other receivables	3.1	8,501	4,127
Inventories	3.2	27,988	23,268
Total current assets		**284,476**	**113,645**
Non-current assets			
Property, plant, equipment and mine properties	3.3	471,526	482,418
Deferred exploration and evaluation expenditure		6,401	6,401
Total non-current assets		**477,927**	**488,819**
Total assets		**762,403**	**602,464**
Liabilities			
Current liabilities			
Trade and other payables		29,538	20,601
Provisions		1,858	1,468
Borrowings	3.4	17,246	53,334
Total current liabilities		**48,642**	**75,403**
Non-current liabilities			
Provisions		17,296	16,971
Borrowings	3.4	153,963	123,116
Total non-current liabilities		**171,259**	**140,087**
Total liabilities		**219,901**	**215,490**
Net assets		**542,502**	**386,974**
Equity			
Issued capital	4	761,735	587,329
Reserves		4,964	3,850
Accumulated losses		(224,197)	(204,205)
Total equity		**542,502**	**386,974**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

	Notes	Issued Capital $'000	Share-based payment reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2019		479,720	9,216	(112,286)	376,650
Loss for the period		-	-	(63,387)	(63,387)
Total comprehensive income/(loss) for the period		-	-	(63,387)	(63,387)
Issue of ordinary shares		111,520	-	-	111,520
Share issue costs		(3,937)	-	-	(3,937)
Issue of options and performance rights		-	568	-	568
Transfer on conversion of options		-	(7,343)	7,343	-
Balance at 31 December 2019		**587,303**	**2,441**	**(168,330)**	**421,414**
Balance at 1 July 2020		587,329	3,850	(204,205)	386,974
Loss for the period		-	-	(21,159)	(21,159)
Total comprehensive income/(loss) for the period		-	-	(21,159)	(21,159)
Issue of ordinary shares	4	180,041	(449)	-	179,592
Share issue costs	4	(5,635)	-	-	(5,635)
Issue of options and performance rights		-	2,730	-	2,730
Transfer on conversion/lapse of options		-	(1,167)	1,167	-
Balance at 31 December 2020		**761,735**	**4,964**	**(224,197)**	**542,502**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020

	Notes	31 December 2020 $'000	31 December 2019 $'000
Cash flows from operating activities			
Receipts from customers		58,823	42,544
Cash paid to suppliers and employees		(50,668)	(71,606)
Payments for exploration and evaluation expenditure		(2,139)	(4,824)
Interest received		59	448
Other receipts		-	574
Net cash inflow/(outflow) from operating activities		**6,075**	**(32,864)**
Cash flows from investing activities			
Payments for property, plant, equipment and mine properties		(1,688)	(18,440)
Payments for business acquisition costs		(986)	-
Net cash outflow from investing activities		**(2,674)**	**(18,440)**
Cash flows from financing activities			
Proceeds from the issue of shares		177,333	111,520
Capital raising costs		(3,758)	(3,938)
Loan payment		(2,500)	-
Proceeds from borrowings		155,785	-
Transaction costs related to borrowings		(6,395)	(86)
Repayment of borrowings		(140,520)	(4,021)
Interest and other finance costs paid		(7,637)	(10,204)
Call premium on redemption of borrowings		(5,948)	-
Net cash inflow from financing activities		**166,360**	**93,271**
Net increase in cash held		169,761	41,967
Cash and cash equivalents at the beginning of the period		86,250	63,576
Effect of exchange rate fluctuations on cash held		(8,024)	3
Cash and cash equivalents at the end of the period		**247,987**	**105,546**

The notes on pages 16 to 27 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Pilbara Minerals Limited (the "Company") is a listed public company incorporated and domiciled in Australia. These consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration, development and mining of minerals.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2020 are available upon request from the Company's registered office at Level 2, 88 Colin Street, West Perth WA 6005 or at *www.pilbaraminerals.com.au*.

Basis of preparation

The interim financial statements are general purpose financial statements prepared in accordance with **AASB 134 Interim Financial Reporting** and the Corporations Act 2001, and **IAS 34 Interim Financial Reporting.**

They do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2020.

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Group's Annual Financial Report for the financial year ended 30 June 2020.

These interim financial statements were approved by the Board of Directors on 19 February 2021.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with the legislative instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars unless otherwise stated.

The financial report is presented in Australian dollars, except where otherwise stated.

Use of judgements and estimates

In preparing these interim financial statements management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. These estimates and judgements are consistent with those adopted in the preparation of the June 2020 Annual Financial Report.

Standards issued but not yet effective

There are a number of new standards which are effective for annual reporting periods beginning after 1 July 2020 and early adoption is permitted. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Amendments to AASB 9, AASB 7, AASB 4, AASB 16 and AASB 139 – Interest Rate Benchmark Reform – Phase 2

The amendment addresses issues that may affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in the standards relating to:

- changes in the basis for determining contractual cash flows of financial assets, liabilities and lease liability; and
- hedge accounting.

The Company is yet to assess the potential impacts of the above on its consolidated financial statements.

The following amendments are not yet effective however they are not expected to have an impact on the Groups consolidated financial statements:

- Amendments to AASB 101 – Classification of Liabilities as Current or Non-current; and
- Amendments to AASB 17 – Insurance Contracts.

NOTE 2 - RESULTS FOR THE HALF-YEAR

2.1 Revenue from contracts with customers

	31 December 2020 $'000	31 December 2019 $'000
Sales to customers under contracts	59,227	38,468
Other revenue - provisional pricing adjustments	(130)	(745)
Recovery of royalties under contracts with customers	-	45
	59,097	37,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

2.2 Cost of sales

	31 December 2020 $'000	31 December 2019 $'000
Mining and processing costs	49,119	41,762
Royalty expenses	3,641	2,503
Depreciation and amortisation	12,617	6,520
Inventory movement	(5,106)	10,774
By-product revenue	(1,887)	(4,763)
Foreign exchange loss	100	101
	58,484	56,897

2.3 Inventory write-down

	31 December 2020 $'000	31 December 2019 $'000
Inventory write-down	-	21,155

During the 2019 half-year the Group recognised inventory write downs to net realisable value of $5.8M across spodumene concentrate and coarse ore stockpiles (which have now been sold to customers), as well as an inventory write-down of $15.4M for non-current ROM stockpiles.

2.4 Share-based payment expense

The share-based payment expense includes:

	31 December 2020 $'000	31 December 2019 $'000
Share options expense	1,122	418
Performance rights expense	1,245	150
	2,367	568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Share options

The following table shows options issued during the half-year ended 31 December 2020 and the value attributed to each option granted, by category of holder:

Holder	No. of options	Exercise Price	Expiry Date	Fair Value ($/option)	Total Value ($'000)
Executive Director	1,036,270	$0.2854	31-Dec-24	$0.417	432
Executive Director	1,036,269	$0.2854	31-Dec-24	$0.437	453
Other KMP	1,398,963	$0.2854	31-Dec-24	$0.549	768
Other KMP	1,398,963	$0.2854	31-Dec-24	$0.567	793
Other employees	1,648,352	$0.2854	31-Dec-24	$0.549	905
Other employees	1,648,352	$0.2854	31-Dec-24	$0.567	935

Performance rights

The following table shows performance rights issued during the half-year ended 31 December 2020 and the value attributed to each performance right granted, by the category holder:

Holder	No of performance rights	Expiry Date	Fair value ($/Right)	Total Value ($'000)
Non-executive Director[1]	86,527	31-Aug-22	$0.815	71
Non-executive Director[1]	86,527	30-Nov-22	$0.815	71
Non-executive Director[1]	86,528	28-Feb-23	$0.815	71
Non-executive Director[1]	86,528	31-May-23	$0.814	70
Executive Director	1,051,156	31-Dec-24	$0.605	636
Executive Director[2]	375,793	03-Dec-20	$0.284	107
Executive Director[2]	62,620	06-Jan-21	$0.297	19
Other KMP	1,419,060	31-Dec-24	$0.750	1,064
Other KMP[2]	417,399	17-Sep-20	$0.254	106
Other KMP[2]	417,399	15-Dec-20	$0.266	111
Other employees	1,672,030	31-Dec-24	$0.750	1,253
Other employees[2]	1,169,590	17-Sep-20	$0.254	297
Other employees[2]	1,182,191	15-Dec-20	$0.266	315

1. These performance rights were issue to Non-executive Directors under the Non-executive Fee Sacrifice Offer, which allows Non-executive Directors to sacrifice a component of their director fees for performance rights that have no performance conditions attached to their vesting.

2. These performance rights were issued under the 2020 Salary Sacrifice Offer which allowed employees to sacrifice a component of their cash salary for performance rights that have no performance conditions attached to their vesting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

The share options and performance rights with an expiry date of 31 December 2024 issued over ordinary shares are subject to the following vesting conditions:

Vesting Condition	Criteria
Service condition	A three-year period commencing from the vesting start date.
50% share options	**Relative** Total Shareholder Return (TSR) • The Company to achieve specified relative TSR targets (above the 50th to 85th percentile) against a defined peer group of companies measured over the 3 year vesting period.
50% share options	**Absolute** Total Shareholder Return (TSR). • The Company TSR to be calculated by taking into account the growth in the Company's share price and the dividends paid. The TSR compound annual growth rate (CAGR) is applied to a scale which would vest 100% of awards when a TSR CAGR of 15% is achieved over the vesting period.
100% performance rights	**Strategic Objectives** • Customer diversification and strategic options for material growth, including integration in the lithium supply chain via downstream or upstream transaction opportunity. • Global cost competitiveness.

The performance rights, with an expiry date of 17 September 2020, 3 December 2020, 15 December 2020 and 6 January 2021 have been issued under the 2020 Salary Sacrifice Offer, whereby employees agreed to sacrifice salary for shares in the Company to preserve cash in response to weak market conditions. These performance rights have no performance conditions attached to vesting.

The performance rights issued to non-executive directors have been issued under the 2021 Non-Executive Director Fee Sacrifice Offer and have no performance conditions attached to vesting. The performance rights vest in four tranches between February and November 2021, with a share disposal restriction period applying for a period of 18 months following the respective vesting dates expiring, as outlined in the table on page 19.

Other than the performance rights issued under the 2020 Salary Sacrifice Offer and the 2021 Non-executive Director Fee Sacrifice Offer which were issued in exchange for salary and fee sacrifice, the performance rights have been provided at no cost and expire on the earlier of the expiry date or termination of employment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

2.5 Net financing costs

Net financing costs are as follows:

	31 December 2020 $'000	31 December 2019 $'000
Interest income on bank accounts	107	488
Finance income	107	488
Interest expense - leases	(1,344)	(1,403)
Interest expense - borrowings	(5,868)	(9,228)
Amortised borrowing costs [1]	(2,769)	(771)
Call premium on redemption of borrowings [2]	(5,948)	-
Unwind of discount on site rehabilitation provision	(325)	(161)
Net foreign exchange gain/(loss) [3]	6,151	(266)
Finance costs	(10,103)	(11,829)
Net finance costs recognised in profit or loss	(9,996)	(11,341)

1. Amortised borrowing costs includes the expensing of residual borrowing costs ($2.2M) following the full repayment of the Nordic Bond facility in September 2020.

2. In September 2020 the Company refinanced the USD Nordic Bond facility with a syndicated finance facility reflecting improved terms provided by BNP Paribas and the Clean Energy Finance Corporation. Under the terms of the Nordic Bond facility a call premium was payable upon early redemption.

3. The AUD:USD foreign exchange rate increased during the half-year from 0.6863 at 30 June 2020 to 0.7702 at 31 December 2020. The foreign exchange gain for the period resulted from the revaluation of the Company's USD denominated debt facility, which was offset by the revaluation of the Company's USD denominated cash reserves and USD denominated debtors.

2.6 Operating segments

The Group has one reportable operating segment which is exploration, development and mining of minerals in Australia.

The Group's operating segment has been determined with reference to the information and reports the Chief Operating Decision Maker use to make strategic decisions regarding Group resources.

Due to the size and nature of the Group, the Managing Director is considered to be the Chief Operating Decision Maker. Financial information is reported to the Managing Director and Board as a single segment and all significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

NOTE 3 - ASSETS AND LIABILITIES

3.1 Trade and Other Receivables

	31 December 2020 $'000	30 June 2020 $'000
Current		
Trade debtors	851	1,061
Goods and services tax receivable	2,144	917
Security deposits	135	135
Prepayments	1,341	1,091
Other receivables[1]	4,030	923
	8,501	4,127

1. Other receivables includes a loan to Richard Tucker and John Bumbak of KordaMentha Pty Limited in their capacity as joint and several receivers and managers of Altura Lithium Operations Pty Ltd. The loan was provided under the Receiver Loan Agreement in accordance with the Deed of Company Arrangement and Implementation Deed for the purpose of providing working capital funding for the receivers during the receivership process of Altura Operations Pty Ltd. At 31 December 2020, the loan principal drawn down was $2.5M with interest capitalised at 15% p.a. The loan principal and interest were fully repaid in mid-January 2021.

3.2 Inventory

	31 December 2020 $'000	30 June 2020 $'000
Current		
Finished goods	13,493	6,933
Work-in-progress[1]	3,550	4,884
Consumables	10,945	11,451
	27,988	23,268

1. Work-in-progress includes run of mine (ROM) and coarse ore stockpiles.

At 31 December 2020 finished goods and work-in-progress are held at cost (June 2020: at cost).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

3.3 Property, plant, equipment and mine properties

	Property, plant and equipment $'000	Right-of-use lease assets $'000	Mine properties in production $'000	Mine properties in development $'000	Mineral rights $'000	Mine rehabilitation $'000	Total $'000
At 30 June 2020							
Cost	1,117	52,216	363,579	15,917	54,804	16,523	504,156
Accumulated depreciation	(680)	(11,558)	(8,862)	-	(510)	(128)	(21,738)
Net book value	437	40,658	354,717	15,917	54,294	16,395	482,418
At 1 July 2019	678	-	345,875	16,312	54,597	16,486	433,948
Additions	78	53,163	7,513	5,040	-	-	65,794
Disposals	(2)	(911)	-	-	-	-	(913)
Transfer	-	-	5,435	(5,435)	-	-	-
Depreciation charge	(317)	(11,594)	(4,106)	-	(303)	(91)	(16,411)
Net book value at 30 June 2020	437	40,658	354,717	15,917	54,294	16,395	482,418
At 31 December 2020							
Cost	1,118	52,260	365,463	15,975	54,804	16,523	506,143
Accumulated depreciation	(776)	(20,328)	(12,330)	-	(928)	(255)	(34,617)
Net book value	342	31,932	353,133	15,975	53,876	16,268	471,526
At 1 July 2020	437	40,658	354,717	15,917	54,294	16,395	482,418
Additions	1	44	1,884	58	-	-	1,987
Depreciation charge	(96)	(8,770)	(3,468)	-	(418)	(127)	(12,879)
Net book value at 31 December 2020	342	31,932	353,133	15,975	53,876	16,268	471,526

Capital Commitments - As at 31 December 2020 the Group had outstanding contractual capital commitments of $1.9M (31 December 2019: $3.1M) which are expected to be settled prior to 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

3.4 Loans and borrowings

	31 December 2020 $'000	30 June 2020 $'000
Current		
Lease liability	17,246	16,907
Secured debt (US$ denominated Nordic bond)	-	36,427
Total borrowings - current	17,246	53,334
Non-Current		
Lease liability	16,941	25,324
Secured debt (US$ denominated Nordic bond)	-	97,792
Secured debt (US$ denominated facility)	137,022	-
Total borrowings - non-current	153,963	123,116

In September 2020, the Company refinanced the USD 100M senior Nordic Bond facility with a lower cost USD 110M syndicated senior debt facility financed by both BNP Paribas (USD 73.3M) and the Clean Energy Finance Corporation (USD 36.7M). The early redemption of the Nordic Bond facility included a call premium redemption of USD 4.2M. BNP Paribas also extended the USD 15M working capital facility which remains undrawn at 31 December 2020.

Loan covenants

Under the terms of the USD 110M senior debt facility the Company is required to maintain a minimum liquidity position of $20M at all times as well as comply with the following financial covenants each quarter from and after the September 2022 quarter:

- debt service cover ratio (DSCR) not less than 1.15:1;
- loan life cover ratio (LLCR) not less than 1.25:1; and
- reserve tail ratio not less than 25% .

Equity cure rights are available for any default, which can be applied a maximum 3 times over the loan but not in consecutive quarters.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

The carrying amount of the USD debt facility is as follows:

	31 December 2020 $'000
Debt facility proceeds at inception	155,785
Unrealised foreign exchange gain[1]	(12,965)
Debt proceeds at balance date	142,820
Directly attributable transaction costs	(6,153)
Amortisation of transaction costs	355
Carrying amount at balance date	137,022

1. The value of the USD debt is required to be re-stated at the end of each financial period using the closing AUD:USD foreign exchange rate (31 December 2020: 0.7702).

During the period, the USD Nordic Bond was repaid in full as part of the refinancing. The borrowings movement and final carrying amount in relation to the USD Nordic Bond is outlined as follows:

	31 December 2020 $'000	30 June 2020 $'000
Bond proceeds at inception	132,310	132,310
Principal repayment	(141,528)	(9,098)
Unrealised foreign exchange loss	-	13,390
Realised foreign exchange loss from inception	9,218	-
Bond proceeds at balance date	-	136,602
Directly attributable transaction costs	(6,036)	(6,036)
Amortisation of transaction costs	6,036	3,653
Carrying amount at balance date	-	134,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

4. Capital and Reserves

	31 December 2020		30 June 2020	
	$'000	Number ('000)	$'000	Number ('000)
Fully paid ordinary shares	761,735	2,728,513	587,329	2,224,737
Total share capital on issue at end of period	761,735	2,728,513	587,329	2,224,737
Movements in ordinary shares on issue:				
On issue at beginning of period	587,329	2,224,737	479,720	1,851,420
Shares issued during the period:				
Issued for cash	180,041	500,214	111,519	371,733
Exercise of options/vesting of performance rights	-	3,562	-	1,584
Share issue costs	(5,635)	-	(3,910)	-
On issue at end of period	761,735	2,728,513	587,329	2,224,737

In December 2020, the Company issued 498.9M ordinary shares at $0.36 for $179.6M as part of the equity raising to fund the Altura Lithium Operations Pty Ltd acquisition (refer to the Subsequent Events note in this report). This share issue represented the first two tranches of an equity raising for a total of $240.2M, with the balance of the equity raising (tranche 3) completed in January 2021. Tranche 1 was a $118.9M private placement to RCF and AustralianSuper, with Tranche 2 representing an institutional entitlement offer for $60.7M. The Tranche 3 (retail entitlement offer) equity raising for $60.6M was completed in January 2021 after which the settlement of the Altura Project acquisition occurred.

5. Subsequent Events

Subsequent to 31 December 2020, the Company completed the acquisition of Altura Lithium Operations Pty Ltd (ALO) in January 2021, thereby securing 100% ownership of the neighbouring Altura Project. Settlement occurred following approval of an ALO Deed of Company Arrangement (DOCA) by the creditors of ALO which had the effect of extinguishing the previous liabilities of ALO.

In November 2020, the Company entered into a Share Sale Agreement with Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) (Altura) and Richard Tucker and John Bumbak in their capacity as joint and several receivers and managers of Altura (Receivers) for the acquisition of the shares in ALO, for a total consideration of USD 175M[1], inclusive of a deferred consideration of USD 20M to be paid in cash or shares up to 12 months after completion. The fair value of the deferred consideration will vary with the Company share price during this period up to 12 months after completion.

1. Comprises an upfront cash consideration of USD 155M and deferred consideration of at least $28M (USD 20M at 28 October 2020 based on a $0.4072 share price at that date), payable by the issue of ~69M Pilbara Minerals' shares (or cash equivalent). The fair value of the deferred consideration will vary with the Pilbara Minerals share price during the deferred consideration period, with a minimum value of $28M payable. Refer to ASX Announcement dated 1 December 2020 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

The upfront consideration of USD 155M was funded through a three tranche equity raising which comprised a $119M Tranche 1 private placement to RCF and AustralianSuper and a $60.7M Tranche 2 institutional entitlement equity offer raising, both of which were completed in December 2020. The Tranche 3 retail equity entitlement offer raising of $60.6M was completed in January 2021 prior to the settlement of the Altura Project acquisition.

Following completion of the acquisition in January 2021, the Company will apply the principles of AASB 3 Business Combinations to record the acquisition and identify and determine a fair value for the assets acquired and the deferred consideration to be paid in the future. In accordance with AASB 3, all costs associated with the acquisition will be expensed.

The Altura Project will initially remain on care and maintenance while work is undertaken on the Company's future operating strategy, which includes a comprehensive evaluation of the combined lithium operations and the realisation of tangible synergies.

Subsequent to 31 December 2020, in February 2021 the Western Australian Government announced a COVID-19 5 day lockdown for Perth, Peel and South West regions of Western Australia. The Company promptly responded with working from home arrangements for Perth based staff, implementation of health advice and updated pre-screening declarations. Minesite operations were largely unaffected by the Government directives however the roster was extended by a few days and a company charter flight organised to limit travel movements within the state during this period.

Other than as disclosed above, there has not been any other matter or circumstance that has arisen since the end of the half-year which has significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Pilbara Minerals Limited ('the Company'):

1. The financial statements and notes thereto, as set out on pages 12 to 27, are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standard ***AASB 134: Interim Financial Reporting***, the Corporations Regulations 2001; and

   b. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

Anthony Kiernan AM
Chairman

19th February 2021

Independent Auditor's Review Report

To the shareholders of Pilbara Minerals Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Pilbara Minerals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Pilbara Minerals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2020
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half year ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Pilbara Minerals Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Derek Meates
Partner

Perth

19 February 2021