Pilbara Minerals

Interim Financial Report

Incorporating Appendix 4D

31 December 2023

Powering a **sustainable** energy future

ACN: 112 425 788 | ASX: PLS

PilbaraMinerals.com.au

Contents

Acknowledgement of country

Pilbara Minerals respectfully acknowledges the Nyamal and Kariyarra People of the Pilbara, and the Whadjuk Noongar People of the Perth region who are the traditional owners and first people of these lands. We would like to pay respect to the Elders past and present for they hold the memories, the traditions, the culture and hopes of the Nyamal, Kariyarra and Whadjuk Noongar Peoples.

APPENDIX 4D

Half-year Report

For the period ending 31 December 2023

Results for announcement to the market

Current Reporting Period: Previous Reporting Period:		6 months ending 31 December 2023 6 months ending 31 December 2022
		31-Dec-23 **$'000**
Revenue from ordinary activities	decreased by 65.3%	**757,231**
Profit from ordinary activities after tax attributable to members	decreased by 82.3%	**220,154**
Net profit for the period attributable to members	decreased by 82.3%	**220,154**

Dividends

No dividend has been declared by the Company for the half-year ended 31 December 2023. A final dividend of 14 cents per share (fully-franked), totaling $421M relating to the year ended 30 June 2023, was paid in the half-year ended 31 December 2023.

Net Tangible Assets

	31-Dec-22	**31-Dec-23**
Net tangible asset per security	$0.86	**$1.07**

Changes in Controlled Entities

There have been no gains or losses in control over entities during the period 31 December 2023.

Associate and Joint Ventures

Associate	31-Dec-22	**31-Dec-23**
POSCO-Pilbara Minerals Lithium Solution Co Ltd	18%	**18%**
Joint Ventures	31-Dec-22	**31-Dec-23**
Mount Francisco JV	70%	**70%**
Mid-Stream JV entered into with Calix Limited	55%	**55%**

Audit Review

This Report is based on consolidated financial statements for the half-year ended 31 December 2023 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 2023.

Directors' Report

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 2023 (**H1 FY24**).

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.

Kathleen Conlon	Chairman (appointed as Non-Executive Director on 1 January 2024 then Non-Executive Chairman on 31 January 2024)
Anthony Kiernan AM	Non-Executive Chairman (retired on 31 January 2024)
Dale Henderson	Managing Director & Chief Executive Officer
Steve Scudamore AM	Non-Executive Director
Nicholas Cernotta	Non-Executive Director
Sally-Anne Layman	Non-Executive Director
Miriam Stanborough AM	Non-Executive Director

REVIEW OF OPERATIONS

The first half of the 2024 financial year represents a strong set of operational outcomes and successful project milestones that continue to advance the Company's growth strategy as an emerging lithium materials leader.

Throughout the period the Company remained highly focused on the efficient management of its Pilgangoora Operation, resulting in a 21% increase in total material mined compared to the (**prior corresponding period** or **PCP**). In parallel, the Company advanced its expansion plans to increase spodumene production capacity to 1Mtpa with significant progress achieved on its P680 and P1000 expansion projects.

This included the delivery of the P680 Primary Rejection Facility which was ramped-up during the period. This facility will provide an expanded production base with the expected increase in production volume weighted towards the back end of FY24.

In addition, the P1000 Project was materially progressed with construction tracking on schedule and budget. This further capacity increase will provide scale and efficiency benefits and firmly position the Company as a major low-cost lithium materials supplier globally.

The Company's objective to participate in lithium chemical manufacturing was advanced with the commencement of commissioning of Train 1 at the POSCO Pilbara Minerals' JV chemical plant in South Korea. Final Investment Decision (FID) was also made to construct the Mid-Stream Demonstration Plant Project with joint venture partner Calix.

A strong EBITDA margin of 55% was delivered during the period despite a moderated pricing environment for lithium. Although pricing has reduced, the Company remains in a position of strength with a strong balance sheet providing a competitive advantage relative to many peers in the sector.

To further reinforce the balance sheet, prudent steps have been undertaken to further preserve capital including a planned reduction in capital expenditure and the decision to withhold an interim dividend payment.

With the Company's low unit-cost structure and strong balance sheet, Pilbara Minerals is uniquely placed to withstand periods of softer pricing whilst continuing to build-out the production base to capitalise on improved pricing conditions.

Key highlights of the Company's operations during H1 FY24, included:

- Strong operational performance with production to plan of 320.2 thousand tonnes (**kt**) spodumene concentrate.
- Sales of spodumene concentrate totalled 306.3 kt. The average estimated realised price for spodumene concentrate was US$1,645/dry metric tonnes[1] (**dmt**) (CIF China) on a ~SC5.3 basis. On an SC6.0 equivalent basis, the average estimated sales price was US$1,880/dmt (CIF China).
- Revenue declined to $757.2M compared to PCP, reflecting a 67% decline in average realised price partly offset by a 7% increase in sales volume.
- **Unit operating costs (FOB)** increased by 16% to $691/t reflecting the previously disclosed investment in operating costs (people, systems, consumables, maintenance and increased mining activity) to support the ramp-up in production capacity from the P680 project.
- Ending cash balance of $2,144.2M, including tax payments of $874.2M, with cash ending the period in-line with the PCP.
- P680 Expansion Project (**P680 Project**) progressed on schedule and budget, with the Primary Rejection facility constructed and commissioned, and the Crushing and Ore Sorting Facility under construction.
- P1000 Expansion Project (**P1000 Project**) progressed on schedule and budget with construction commenced.
- Commissioning commenced on Train 1 at the POSCO Pilbara Minerals' JV chemical plant in South Korea.
- Final Investment Decision (**FID**) made to construct the Mid-Stream Demonstration Plant Project (**Demonstration Plant Project**) at the Pilgangoora Operation with joint venture partner Calix, and earthworks commenced.
- Following an extensive drill program, Pilgangoora Ore Reserves[2] increased by 35% to 214Mt, reinforcing its position as a world class lithium asset.
- Study commenced to explore further expansion of production capacity beyond 1Mtpa.
- Pilgangoora Operation Power Strategy released which is expected to materially reduce power related emissions intensity and unit costs over time.

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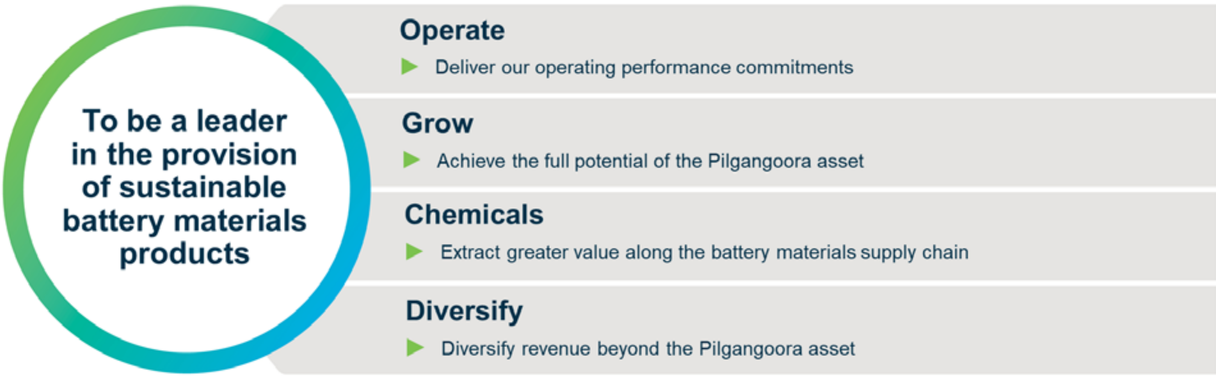
[1] Average estimated realised price for ~5.3% Li_2O grade (SC5.3 CIF China) as at 11 January 2024. This includes approximately 73 kdmt shipped in December which reflects reference pricing data up to 11 January 2024. The average realised price after all final adjustments is $1,634/t (SC5.3 CIF China).

[2] For more information see Pilbara Minerals ASX announcement "55Mt increase in Ore Reserves to 214Mt" dated 24 August 2023.

STRATEGY

Pilbara Minerals is guided by its Operate, Grow, Chemicals & Diversify Strategy, and is focused on ensuring sustainability is embedded throughout the entire business. The strategy is in service to the Company's vision to be a leader in the provision of sustainable battery materials products. The strategy also ensures that the rapid growth of Pilbara Minerals is supported with strong direction, initiatives and foundations. Through the execution of this strategy, Pilbara Minerals will continue to play a leading role in the world's rapidly growing battery materials supply chain. Through embedding sustainability within the business and the strength of its Great People to deliver on the Corporate Strategy, Pilbara Minerals is powering a sustainable energy future.



Near term strategic priorities

Within the Company's long-term strategy, Pilbara Minerals has progressed several near-term strategic priorities to navigate market movements. These include:

- Expanding production - prioritising investment in expanding production through the P680 and P1000 Projects which will yield both increased production capacity and result in scale benefits such as reduced unit costs. This expansion, fully funded from existing cash reserves, will strengthen the profitability of the operation and positions Pilbara Minerals to take advantage of expected increased demand for lithium in the coming years.

- Managing costs - preserving the Company's balance sheet strength through rationalising non-essential spend that does not impact on expansion or further improve unit operating costs. Pilbara Minerals has increased its focus on unit-cost efficiency and conducted a review of capital spend. The Company will continue to run scenario analysis and cost reviews to ensure that its operation is optimised, and its balance sheet remains as strong as possible.

- Securing maximum value from lithia units – as previously announced Pilbara Minerals has recently amended several offtake agreements to expand medium term supply to leading customers and reduce exposure to spot markets. In parallel, the Company continues to advance its partnering process to secure additional potential downstream partnering opportunities with the objective of maximising shareholder returns per lithia unit.

SUSTAINABILITY

In August 2023, Pilbara Minerals released its 2023 Annual and Sustainability Report, disclosing significant advancements since its inaugural report in 2019. The Company has reported key metrics and adopted established frameworks such as the Sustainability Accounting Standards Board (SASB) in the "Extractives and Minerals Processing, Metals and Mining Industry" category, the Taskforce on Climate-related Financial Disclosure, and the United Nations Development Goals.

Key initiatives during this half-year period include:

- The publication of the medium-term Power Strategy, aiming to cut power-related emissions intensity[3] by up to 80% by 2030[4], comparative to the FY23 baseline, aligning with the Company's mission as a sustainable battery materials producer and ensuring operational cost savings.
- Twelve community grant programs awarded in the Pilbara region, with a focus on education and community resilience. Initiatives encompass infrastructure development in Port Hedland schools, a youth mindfulness program, and the preservation of the stories and language of Aboriginal Elders.
- The launch in October 2023 of a two-year partnership with the Women's Legal Service WA, funded by Pilbara Minerals and BHP, with Pilbara Minerals contributing $0.4M through the Company's Community Investment Program to facilitate outreach, both virtually and in-person, aiming to provide integrated socio-legal (lawyer and social worker) assistance to women across the Pilbara region experiencing domestic and family violence.
- The release of our 2023 Modern Slavery Statement in December 2023, highlighting Pilbara Minerals' commitment to addressing modern slavery risks. Key actions include enhanced supplier assessments, the implementation of a new vendor management system, employee training, and the development of a three-year modern slavery prevention action plan.
- Building on the success of the Chaplaincy program introduced in FY23, the company has expanded the program, providing additional support to the workforce.
- Hosted the Girls + Engineering Tomorrow (GET) program in collaboration with Curtin University, engaging young girls in the field of Engineering and offering an inside look into the Company's mining operations, enabling them to interact with technical leaders at Pilgangoora site.

Safety and Health

Pilbara Minerals continues to focus rigorously on the implementation of Safety and Health improvements with the aim to enhance operational discipline and shift technical deliverables in health, hygiene and emergency management. Four recordable safety incidents were recorded, resulting in a Total Recordable Injury Frequency Rate of 3.89 for the period. Lead indicator "Safety Interactions" continue to trend strongly with quality interactions achieved of 1.83 completed per 1,000 hours worked, trending above target of 1.0 for the six-month period.

Implementation has commenced for our new Critical Risk Management system, to deliver the necessary step-change in fatal risk management across our operations providing clear verification tools for all personnel at appropriate levels.

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[3] Emissions intensity refers to tonnes of Carbon Dioxide equivalent per megawatt hour (tCO_2-e/MWh). Total power related emissions increase over time with the expansion of Pilgangoora Operations.

[4] Power related emissions intensity reductions of up to 80% compared to FY23 are targets only and assume that the Company will implement the 3 stage power strategy as detailed in this release. Stage 3 assumes and is dependent on renewable wind power generation and associated grid infrastructure being developed and becoming available to the Pilgangoora Operation from third parties by 2030.

People

Key changes made to Pilbara Minerals' Board and senior executive team during the reporting period, included:

- Non-Executive Chairman, Mr Anthony Kiernan AM, announced he would retire from the Board effective 31 January 2024.
- It was announced that Ms Kathleen Conlon would be appointed as Non-Executive Director, effective from 1 January 2024, and that she would subsequently assume the role of Chairman of Pilbara Minerals upon Mr Kiernan's retirement.
- Mr Alex Eastwood retired as Chief Commercial and Legal Officer, and Company Secretary, effective 24 November 2023, after more than seven years with the Company.
- Ms Danielle Webber was appointed as Company Secretary effective 24 November 2023.
- Ms Jennifer Mintz was appointed to the Executive team in the role of General Counsel with responsibility for the Legal, Company Secretary, and Risk and Compliance functions effective 24 November 2023.

The Company's internal communications campaign reiterating the Company's zero tolerance approach to workplace harassment and inappropriate behaviour, as well as its mandatory training of safe and respectful behaviours continued during the half-year.

OPERATIONS

During the half-year the Company increased spodumene concentrate production at the Pilgangoora Operation to take advantage of positive lithium raw material market demand conditions.

Table 1 Ore mined and processed

Total ore mined and processed	Units	H1 FY23	H1 FY24	Change
Ore mined	wmt	2,538,284	**3,029,765**	19%
Waste material	wmt	12,901,285	**15,706,969**	22%
Total material mined	wmt	15,439,569	**18,736,733**	21%
Average Li_2O	%	1.4%	**1.3%**	(0.1%)
Ore processed	dmt	1,704,892	**1,834,176**	8%

The average grade of product sold during the reporting period was ~5.3% Li_2O (PCP: ~5.4% Li_2O). Total material mined for the Pilgangoora Project was 18,736,733 wet metric tonnes (wmt) (PCP: 15,439,569 wmt), including ore mined of 3,029,765 wmt (PCP: 2,538,284 wmt). Total material movements increased compared to the prior corresponding period as productivity improvements continue to yield positive results driving efficiencies across operations.

Processing plant feed for the period was 1,834,176 dmt (PCP: 1,704,892 dmt), contributing to a combined spodumene concentrate production from both processing plants of 320,153 dmt for the half-year, up 4% on the prior corresponding period production of 309,256 dmt.

Table 2 Production and shipments

Total production and shipments	Units	H1 FY23	H1 FY24	Change
Spodumene concentrate produced	dmt	309,256	**320,153**	4%
Spodumene concentrate shipped	dmt	286,876	**306,250**	7%
Tantalite concentrate produced	lb	34,943	**23,888**	(32%)
Tantalite concentrate shipped	lb	24,548	**19,128**	(22%)
Spodumene concentrate grade produced	%	5.2%	**5.2%**	-
Lithia recoveries	%	68.3%	**66.2%**	(2%)

The Company shipped 306,250 dmt of spodumene concentrate during the half-year, an increase of 7% over the prior corresponding period (286,876 dmt), primarily under offtake agreements. An average realised price of US$1,645/dmt on a ~5.3% basis (CIF China) (PCP: US$4,993/dmt) was achieved for these shipped tonnes, reflecting a volatile pricing environment for lithium raw materials. Tantalite production for the half-year decreased to 23,888 lbs (PCP: 34,943 lbs).

FINANCIAL RESULTS

Financial Performance

During the half-year ended 31 December 2023, the Company delivered a net profit after tax of $220.2M (PCP: $1,241.9M) and earnings per share of 7.3 cents (PCP: earnings per share of 41.6 cents).

Revenue reduced by 65% to $757.2M, driven by a 67% decrease in average estimated realised price, partly offset by an increase in sales volume of 7% to 306.3kt.

Table 3 Key production and financial outcomes

Summary profit or loss metrics	Units	H1 FY23	H1 FY24	Change
Profit or Loss				
Revenue	A$M	2,180	**757**	(65%)
EBITDA[5]	A$M	1,812	**415**	(77%)
EBITDA Margin (%)		83%	**55%**	(28%)
Net profit for the period	A$M	1,242	**220**	(82%)
Cash Flow				
Cash margin from operations	A$M	1,825	**536**	(71%)
Cash Balance	A$M	2,226	**2,144**	(4%)

[5] EBITDA 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.

Unit operating costs (FOB) increased by 16% to $691/t (PCP: $1,136/dmt) reflecting the previously disclosed investment in operating costs (people, systems, consumables, maintenance and increased mining activity) to support the ramp-up in production volumes enabled by the P680 project. The P680 Primary Rejection Facility is now commissioned and higher production volumes from the project are planned for the second half of FY24.

Including freight and royalty costs, the unit operating cost for the half-year declined to $900/dmt (CIF China) (PCP: $1,136/dmt), due to the benefit of lower royalty costs associated with lower spodumene concentrate prices.

Table 4 Key production and financial outcomes

Total operating cost and unit cost	Units	H1 FY23	H1 FY24	Change
Total				
Operating costs (FOB Port Hedland ex. royalties)[6]	A$M	177	**212**	20%
Operating costs (CIF)[6]	A$M	334	**276**	(17%)
Unit				
Operating costs (FOB Port Hedland ex. royalties)[7]	A$/t	595	**691**	16%
Operating costs (CIF)[7]	A$/t	1,136	**900**	(21%)

Operating costs (excl. depreciation and amortisation) decreased by 17% to $275.6M with planned pre-investment expenses to support P680 expansion as well as increases due to inflationary pressures offset by lower royalties due to reduced pricing.

Cash flows

The Company generated strong and positive cash margin from operations throughout the period having an average realised price of US$1,645/t with the cash margin from operations of $535.6M. Cash margin from operations less capitalised mine developments costs and sustaining capex was also positive in the period at $417.7M.

Total cash reduced by $1,194.4M to $2,144.2M in the half-year primarily due to $874.2M of income tax payments which included the previously announced FY23 income tax "catch-up" payment of $762.9M. During the half-year, the Company paid a fully franked dividend of $421.0M or 14 cents per share.

Net change in borrowings comprised a debt drawdown of $142.3M made in the period for P680 project costs incurred under the loan facilities partially offset by a mandatory loan repayment of $16.7M.

Capital Management Framework and Dividends

Pilbara Minerals' Capital Management Framework, adopted in 2022, incorporates a target dividend payout ratio to shareholders of 20-30% of free cash flow.

With confidence in the long-term outlook, Pilbara Minerals believe the optimal way to maximise shareholder value is to continue with execution of our previously announced growth strategy of prioritising investment in expanding production through the P680 and P1000 projects, the latter of which is fully funded from existing cash reserves.

[6] H1 FY23 operating costs include the cost of sales for middlings concentrate product.

[7] H1 FY23 unit operating costs excludes middlings concentrate product.

Therefore, despite the Group's robust financial position, in consideration of recent short-term lithium price volatility, an interim dividend for the half-year ending 31 December 2023 will not be paid to shareholders. Pilbara Minerals will continue to apply this Framework in future to determine the availability of excess cash to return to shareholders, subject to prevailing market conditions.

PROJECT DEVELOPMENT

P680 Expansion Project

Approved in June 2022, the P680 Project incorporates:

- the construction of a new Primary Rejection circuit to deliver an additional 100,000 tpa of spodumene concentrate production from the Pilgan Plant; and
- a new company-owned crushing facility and the introduction of ore-sorting technology to the front-end of the Pilgan Plant.

Primary Rejection Facility

First-ore was achieved from the Primary Rejection Facility in October 2023 marking an important milestone in the ramp-up of the facility. This milestone followed the successful completion of construction and commissioning works during the reporting period. The Primary Rejection Facility was completed on schedule and on budget.

Crushing and Ore Sorting Facility

Civil and concrete works associated with the Crushing and Ore Sorting Facility were completed during the period with other key contracts awarded. The majority of long-lead orders including the ore sorting units and the crushing components have either been delivered to the Pilgangoora Operation or are being stored in Western Australia awaiting delivery to site. Steel fabrication progressed to plan with deliveries to the Pilgangoora Operation, and installation of structural steel and mechanical equipment commenced.

Commissioning of the new Crushing and Ore Sorting Facility remains on target for the June Quarter FY24 with ramp-up scheduled during the September Quarter FY25.

P1000 Expansion Project

FID for the P1000 Project was taken in March 2023 with significant progress made during the half-year period.

Highlights included:

- Detailed design completed to support construction and fabrication packages. Remaining engineering deliverables are due for completion in early 2024.
- Bulk earthworks were progressed to plan with completion forecast in the March Quarter FY24.
- The concrete construction contract was awarded to Whittens who mobilised to the Pilgangoora Operation in the December Quarter with completion forecast in the June Quarter FY24.
- Steel fabrication and modularising contract was awarded to Austruct with fabrication works progressing to plan.

The P1000 Project is on schedule to increase the annual nameplate production run rate from the Pilgangoora Operation to approximately 1Mtpa[8] with first ore targeted for the March Quarter FY25.

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[8] Based on 5.7% lithia concentrate grade. Actual production achieved in any year will depend on the actual concentrate grade and mined grade and is variable over the mine plan.

Mid-Stream Project

During the period, Pilbara Minerals, and its joint venture partner Calix, made the Final Investment Decision (**FID**) to construct the Mid-Stream Demonstration Plant Project (**Demonstration Plant Project**) at the Pilgangoora Operation.

The Demonstration Plant Project aims to validate the benefits of producing a mid-stream lithium enriched product using Calix's patented electric kiln technology which has the potential to reduce hard-rock lithium processing carbon emission intensity if powered by renewable energy.

Work undertaken during the period included detailed design, completion of bulk earthworks and the award of long-lead items.

Downstream Joint Venture with POSCO

Construction of the 43,000 tpa Lithium Hydroxide Monohydrate (**LHM**) Chemical Facility in Gwangyang, South Korea was materially progressed during the half-year with key progress during the reporting period including:

- POSCO Holdings and the POSCO Pilbara Lithium Solution Co Ltd (**PPLS**) JV recognised the opening of the Chemical Facility with a ceremony that was held in November 2023.
- Completion of Train 1 construction with commissioning commenced during the period. Commissioning of Train 1 is expected to be materially completed during the March Quarter FY24 with ramp-up to full capacity estimated within 18 months from the completion of commissioning.
- Commissioning of Train 2 is expected during the second half of the 2024 calendar year.

For more information see the December 2023 Quarterly Activities Report[9].

EXPLORATION AND GEOLOGY

The Group released a substantial increase to the Mineral Resource[10] comprising a total Measured, Indicated and Inferred Resource of 413.8Mt grading 1.15% Li_2O, 112ppm Ta_2O_5 and 0.53% Fe_2O_3, containing 4.75Mt of lithium oxide and 101.8 million pounds of Ta_2O_5. The Mineral Resource update led to a 55 Mt increase in Ore Reserves[11] for the Pilgangoora Operation to 214Mt reinforcing its position as a world class lithium project.

Following the increase in Ore Reserves achieved in the period, Pilbara Minerals continued to invest materially in further exploration programs with reverse circulation (**RC**) and diamond drilling programs within the Pilgangoora Operation's mine corridor ongoing with a total of 30,860m completed. Significant intervals of pegmatite mineralisation were intercepted to the north and south east of the Central Pit. A modest resource development drilling program is scheduled for the second half of FY24.

Surface geochemistry and geological mapping programs were also undertaken on several of Pilbara Minerals' regional exploration licences.

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[9] For more information see Pilbara Minerals ASX announcement "December 2023 Quarterly Activities Report" dated 24 January 2024.

[10] For more information see Pilbara Minerals ASX announcement "Substantial 109Mt Minerals Resource increase to 414Mt – further extends Pilgangoora's position as a world class lithium project" dated 7 August 2023.

[11] For more information see Pilbara Minerals ASX announcement "55Mt increase in Ore Reserves to 214Mt" dated 24 August 2023.

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

There is no 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.

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 16 and forms part of this Directors' Report for the half-year ended 31 December 2023.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

Guidance as to production, unit costs and capital expenditure is based on assumptions, budgets and estimates existing at the time of assessment which may change over time impacting the accuracy of those estimates. These estimates are developed in the context of an uncertain operating environment including in respect of inflationary macroeconomic conditions, incomplete engineering and uncertainties surrounding the risks associated with mining and project development including the construction, commissioning and ramp up of P680 and P1000 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. All information is 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.

The Company generates revenue primarily from the sale of spodumene concentrate through customer offtake and sales agreements. The commodity price is determined by external markets which are outside the Company's control, making it susceptible to adverse price movements. Spodumene concentrate is not a commodity for which hedging or derivative transactions can be easily used to manage commodity price risk. The Company closely monitors spodumene concentrate pricing and, if necessary, it can modify its operations to minimise its exposure to adverse price movements.

Information in this announcement regarding production targets and expansions in nameplate capacity of the Pilgan Plant in respect of 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 24 August 2023. The relevant proportions of proven Ore Reserves and probable Ore Reserves are 9% proved Ore Reserves and 91% 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.

All references to dollars ($) and cents in this announcement are to Australian Dollars, unless otherwise stated. This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

Kathleen Conlon

Kathleen Conlon
Non-Executive Chairman

21 February 2024

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 2023 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

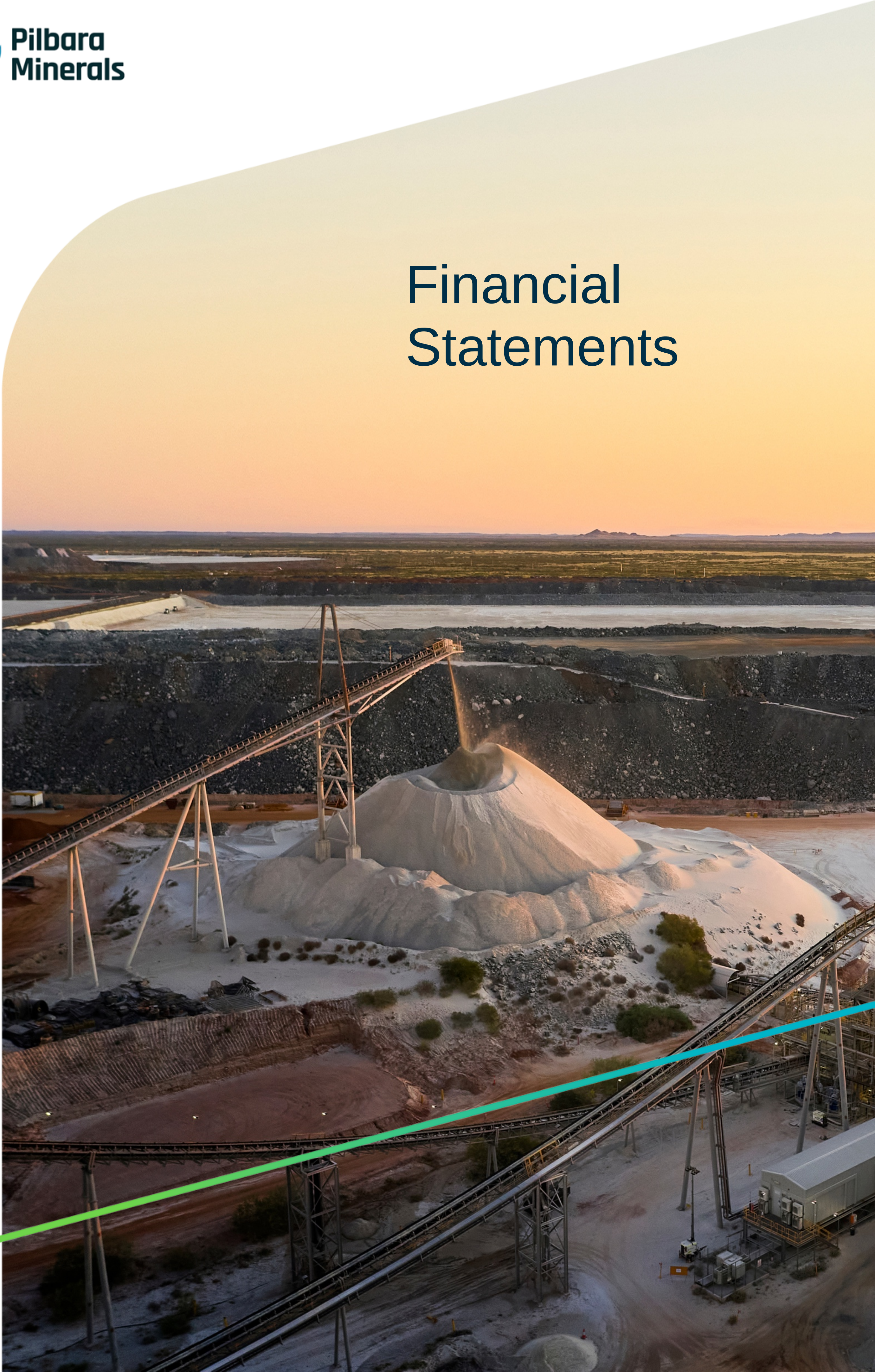
Derek Meates

Partner

Perth

21 February 2024

Financial Statements



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Revenue from contracts with customers	2.1	757,231	2,180,127
Operating costs	2.2	(339,650)	(380,700)
Gross profit		**417,581**	**1,799,427**
Other costs		(72)	(149)
Expenses			
General and administration expense		(31,835)	(16,539)
Exploration and feasibility expense	2.3	(18,147)	(12,527)
Depreciation and amortisation expense		(1,303)	(561)
Share-based payment expense	2.4	(7,694)	(3,871)
Operating profit		**358,530**	**1,765,780**
Finance income		76,022	33,164
Finance costs		(84,569)	(22,119)
Net financing (costs) / income	2.5	**(8,547)**	**11,045**
Share of loss of equity accounted investee	3.4	(8,413)	(1,952)
Profit before income tax expense		**341,570**	**1,774,873**
Income tax expense	2.6.1	(121,416)	(532,968)
Net profit for the period		**220,154**	**1,241,905**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Profit / (loss) on cash flow hedge		2,025	(2,846)
Translation differences on foreign operations	3.4	(485)	2,012
Items that will not be reclassified to profit or loss			
Loss on equity investments at fair value		(8,634)	-
		(7,094)	**(834)**
Total comprehensive profit for the period		**213,060**	**1,241,071**
Basic earnings per share (cents)		7.32	41.59
Diluted earnings per share (cents)		7.25	41.05

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	31 December 2023 $'000	30 June 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		2,144,200	3,338,553
Trade and other receivables	3.1	105,688	132,039
Inventories	3.2	122,180	97,251
Financial assets	3.5	4,990	88
Current tax asset		28,708	-
Total current assets		**2,405,766**	**3,567,931**
Non-current assets			
Inventories	3.2	50,438	29,121
Property, plant, equipment and mine properties	3.3	1,707,647	1,375,545
Equity accounted investment	3.4	70,063	78,929
Deferred exploration and evaluation expenditure		5,609	8,989
Financial assets	3.5	157,737	138,320
Total non-current assets		**1,991,494**	**1,630,904**
Total assets		**4,397,260**	**5,198,835**
Liabilities			
Current liabilities			
Trade and other payables	3.6	411,562	387,212
Provisions		7,904	6,203
Borrowings and lease liabilities	3.7	132,803	124,331
Financial liabilities	3.5	-	2,984
Current tax liabilities		-	773,347
Total current liabilities		**552,269**	**1,294,077**
Non-current liabilities			
Trade and other payables	3.6	-	3,880
Provisions		41,405	41,869
Borrowings and lease liabilities	3.7	444,812	347,618
Deferred tax liabilities		153,548	121,369
Total non-current liabilities		**639,765**	**514,736**
Total liabilities		**1,192,034**	**1,808,813**
Net assets		**3,205,226**	**3,390,022**
Equity			
Issued capital	4	966,948	966,230
Reserves		10,272	14,529
Retained earnings		2,228,006	2,409,263
Total equity		**3,205,226**	**3,390,022**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Notes	Issued capital $'000	Share-based payment reserve $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2022		965,078	8,370	1,188	317,390	1,292,026
Profit for the period		-	-	-	1,241,905	1,241,905
Other comprehensive income		-	-	(834)	-	(834)
Total comprehensive income for the period		-	-	(834)	1,241,905	1,241,071
Option conversions		-	-		-	-
Issue of options and performance rights		1,152	-	-	-	1,152
Employee share and option plans - value of employee services		-	3,871	-	-	3,871
Tax benefit on equity awards issued via share trust		-	27,470	-	-	27,470
Transfer on conversion or forfeiture of awards		-	(30,162)	-	30,162	-
Balance at 31 December 2022		**966,230**	**9,549**	**354**	**1,589,457**	**2,565,590**
Balance at 1 July 2023		966,230	17,105	(2,576)	2,409,263	3,390,022
Profit for the period		-	-	-	220,154	220,154
Other comprehensive income		-	-	(7,094)	-	(7,094)
Total comprehensive income for the period		-	-	(7,094)	220,154	213,060
Issue of options and performance rights	4	718	8,162	-	-	8,880
Tax benefit on equity awards issued via share trust	2.6.3	-	14,285	-	-	14,285
Transfer on conversion or forfeiture of awards		-	(19,610)	-	19,610	-
Dividends		-	-	-	(421,021)	(421,021)
Balance at 31 December 2023		**966,948**	**19,942**	**(9,670)**	**2,228,006**	**3,205,226**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Cash flows from operating activities			
Receipts from customers		907,039	2,172,124
Cash paid to suppliers and employees		(404,656)	(362,262)
Payments for exploration and evaluation expenditure		(17,529)	(11,246)
Interest received		70,491	13,162
Payment for financial assets		-	(6,822)
Income taxes paid		(874,174)	-
Net cash (outflow) / inflow from operating activities		**(318,829)**	**1,804,956**
Cash flows from investing activities			
Payments for property, plant, equipment and mine properties		(398,289)	(128,315)
Payments for financial assets		(85,140)	-
Costs related to the acquisition of subsidiary		(12,586)	-
Net cash outflow from investing activities		**(496,015)**	**(128,315)**
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of options	4	718	1,152
Proceeds from borrowings	3.7.1	142,264	-
Repayment of borrowings	3.7.1	(16,746)	(15,070)
Repayment of leases		(35,588)	(19,197)
Repayment of customer prepayment		(3,134)	(2,849)
Interest and other finance costs paid		(15,288)	(9,953)
Dividends paid		(421,021)	-
Net cash outflow from financing activities		**(348,795)**	**(45,917)**
Net (decrease) / increase in cash held		(1,163,639)	1,630,724
Cash and cash equivalents at the beginning of the period		3,338,553	591,739
Effect of exchange rate fluctuations on cash held		(30,714)	4,030
Cash and cash equivalents at the end of the period		**2,144,200**	**2,226,493**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

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") comprise the Company and its subsidiaries (together referred to as the "Group") as at and for the six months ended 31 December 2023. 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 2023 are available upon request from the Company's registered office at Level 2, 146 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*.

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 2023.

The accounting policies 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 2023.

These interim financial statements were approved by the Board of Directors on 21 February 2024.

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.

New and amended standards

There are a number of new standards which are effective for annual reporting periods beginning after 1 July 2023. The Group has not had any change to its accounting policy or made any retrospective adjustments in relation to these standards. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

2. Results for the Half-Year

2.1 Revenue from contracts with customers

	31 December 2023 $'000	31 December 2022 $'000
Sales to customers under contracts	1,215,168	2,080,634
Other revenue - provisional pricing adjustments	(454,773)	99,534
Cash flow hedge close out[1]	(3,164)	(41)
	757,231	2,180,127

[1] The Company purchases Australian dollar call options to manage foreign exchange risk. Option contracts are measured at fair value and classified as other financial assets with movements in fair value recognised in Other Comprehensive Income (OCI), upon maturity of the option contract, the fair value is recycled to profit or loss.

Sales to customers under contracts includes nil (December 2022: $33.0M) sales of medium grade (~1.2% Li_2O) middlings concentrate product produced during the commissioning phase of the Ngungaju Plant.

2.2 Operating costs

	31 December 2023 $'000	31 December 2022 $'000
Mining and processing costs[1]	273,262	223,740
Royalty expenses	47,614	136,865
Depreciation and amortisation	64,041	47,093
Inventory movement	(43,334)	(25,043)
By-product revenue	(1,933)	(1,955)
	339,650	380,700

[1] Costs include mining, processing, maintenance, offsite logistics, freight and shipping, and site administration.

2.3 Exploration and feasibility expense

	31 December 2023 $'000	31 December 2022 $'000
Exploration and evaluation costs	6,494	3,705
Feasibility and development study costs[1]	11,653	8,822
	18,147	12,527

[1] Feasibility costs are stated net of the recognition of $1.5M government grant income (refer note 3.6).

2.4 Share-based payment expense

The share-based payment expense includes:

	31 December 2023 $'000	31 December 2022 $'000
Share options expense	227	836
Performance rights expense	7,467	3,035
	7,694	3,871

During the period, 736,097 (December 2022: 1,306,922) performance rights were granted to key management personnel with a total fair value of $1,985,153 (December 2022: $5,758,484).

No additional share options were issued during the period.

2.5 Net financing (costs) / income

Net financing (costs) / income are as follows:

	31 December 2023 $'000	31 December 2022 $'000
Interest income on bank accounts	68,076	18,392
Foreign currency contracts - net changes in fair value	7,946	14,772
Finance income	76,022	33,164
Financial asset - fair value movement[1]	(52,961)	-
Interest expense - leases	(5,762)	(2,809)
Interest expense - borrowings	(10,495)	(6,702)
Other finance costs	(1,831)	(1,263)
Amortised borrowing costs	(714)	(954)
Net movement in financial liability at amortised cost	(233)	(396)
Unwind of discount on site rehabilitation provision	(734)	(565)
Net foreign exchange loss	(11,839)	(9,430)
Finance costs	(84,569)	(22,119)
Net finance (costs) / income recognised in profit or loss	(8,547)	11,045

[1] Represents the fair value movement of a call option granted by POSCO to increase the Company's interest in the incorporated downstream joint venture (POSCO - Pilbara Minerals Lithium Solutions Co Ltd) from 18% to 30% (refer note 3.5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

2.6 Income tax

2.6.1 Income tax expense

	31 December 2023 $'000	31 December 2022 $'000
Current income tax		
Current year	106,982	515,228
Adjustment for prior periods	(17,373)	-
	89,609	515,228
Deferred income tax		
Origination and reversal of temporary differences	14,471	18,015
Adjustment for prior period	17,336	(275)
	31,807	17,740
Income tax expense	121,416	532,968

2.6.2 Reconciliation of income tax expense

	31 December 2023 $'000	31 December 2022 $'000
Profit before tax	341,570	1,774,873
Tax at the statutory tax rate of 30% (December 2022: 30%)	102,471	532,462
Tax effect of:		
Non-deductible expenses:		
- Share-based payment expense	2,307	1,161
- Other non-deductible items	3,263	462
Employee share trust payments	(2,477)	(692)
Financial assets fair value movement	15,888	-
Other reserves	-	(151)
Prior year adjustments	(36)	(275)
Income tax expense	121,416	532,968

2.6.3 Amounts recognised in equity

	31 December 2023 $'000	31 December 2022 $'000
Current and deferred income tax attributable to equity and not recognised in net profit or loss:		
Business related capital allowances	372	386
Reserves	2,833	(151)
Tax benefit on equity awards issued via share trust	14,285	27,470
	17,490	27,705

2.7 Operating segments

The Group has one reportable operating segment which is exploration, development and mining of minerals in Australia. The Group has no single reliance upon any one of its customers.

The Group's operating segment has been determined with reference to the information and reports the Chief Operating Decision Maker uses 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.

3. Assets and Liabilities

3.1 Trade and other receivables

	31 December 2023 $'000	30 June 2023 $'000
Trade debtors	39,009	82,057
Goods and services tax receivable	22,287	22,293
Security deposits	-	135
Prepayments	26,664	7,984
Other receivables	17,728	19,570
	105,688	132,039

3.2 Inventories

	31 December 2023 $'000	30 June 2023 $'000
Current		
Finished goods	49,550	32,689
Work-in-progress [1]	22,788	17,717
Consumables	49,842	46,845
	122,180	97,251
Non-Current		
Work-in-progress [1]	50,438	29,121
	50,438	29,121

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

Inventory is held at cost, except for certain stockpiles held at fair value that were acquired as part of the acquisition of Ngungaju Lithium Operations Pty Ltd (formerly Altura Lithium Operations Pty Ltd).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

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 2023							
Cost	5,136	195,555	968,699	164,811	181,338	23,769	1,539,308
Accumulated depreciation	(1,432)	(60,968)	(89,334)	-	(10,850)	(1,179)	(163,763)
Net book value	3,704	134,587	879,365	164,811	170,488	22,590	1,375,545
Opening net book value	809	55,079	499,850	174,241	178,323	21,059	929,361
Additions	3,323	123,673	264,618	158,444	-	-	550,058
Change in rehabilitiation provision estimate	-	-	-	-	-	1,965	1,965
Transfers	-	-	167,874	(167,874)	-	-	-
Depreciation charge	(428)	(44,165)	(52,977)	-	(7,835)	(434)	(105,839)
Net book value	3,704	134,587	879,365	164,811	170,488	22,590	1,375,545
At 31 December 2023							
Cost	7,049	214,633	1,270,827	229,116	189,832	22,667	1,934,124
Accumulated depreciation	(1,940)	(97,467)	(111,317)	-	(14,390)	(1,363)	(226,477)
Net book value	5,109	117,166	1,159,510	229,116	175,442	21,304	1,707,647
Opening net book value	3,704	134,587	879,365	164,811	170,488	22,590	1,375,545
Additions	2,050	21,631	151,280	215,153	8,494	-	398,608
Change in rehabilitiation provision estimate	-	-	-	-	-	(1,102)	(1,102)
Disposals	(33)	(27)	-	-	-	-	(60)
Transfers	-	-	150,848	(150,848)	-	-	-
Depreciation charge	(612)	(39,025)	(21,983)	-	(3,540)	(184)	(65,344)
Net book value	5,109	117,166	1,159,510	229,116	175,442	21,304	1,707,647

At 31 December 2023, the Group had outstanding capital contractual commitments of $44.5M which are expected to be settled within one year and $198.0M within two years (December 2022: $58.1M within one year).

3.4 Equity accounted investment

	31 December 2023 $'000	30 June 2023 $'000
Balance at 1 July	78,929	77,594
Foreign currency differences through translation reserve	(485)	1,865
Share of loss of equity accounted investee	(8,413)	(606)
Feasibility costs capitalised	32	76
	70,063	78,929

Pilbara Minerals holds an 18% equity interest in POSCO-Pilbara Minerals Lithium Solution Co. Ltd ("JV Co"), with the remaining 82% held by POSCO Holdings ("POSCO").

Pilbara Minerals' initial 18% ownership interest is held by the wholly owned subsidiary Pilbara Minerals Korea JV Pty Ltd ("PMK JV"). Under the terms agreed with POSCO, PMK JV has the ability to increase its shareholding to 30% through the exercise of a Call Option (note 3.5.2). The Company's 18% ownership interest was funded by a five-year $79.6M convertible bond issued to POSCO. Under the Convertible Bond Agreement, Pilbara Minerals Limited issued 79,603,050 convertible bonds at a face value of $79.6M to POSCO's wholly owned Australian subsidiary POS-LT Pty Ltd (refer note 3.7).

3.5 Financial assets and liabilities

The following table includes the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

	31 December 2023 $'000	30 June 2023 $'000
Financial assets		
Current		
Foreign currency options - FVOCI[2]	27	88
Foreign currency forwards - FVPL[2]	4,963	-
	4,990	88
Non-current		
POSCO call option (A) - FVPL[3]	63,816	116,777
Foreign currency options - FVOCI[2]	-	211
Listed investments - FVOCI[1]	93,729	20,925
Listed investments - FVPL[1]	192	407
	157,737	138,320
Financial liabilities		
Current		
Foreign currency forwards - FVPL[2]	-	2,984
	-	2,984

[1]Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

[2]Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Valuation inputs include underlying spot prices, implied volatility, discount curves and time until expiration, expressed as a percent of a year.

[3]Level 3: Inputs are unobservable for the asset or liability.

Equity instruments designated as FVOCI

Equity instruments designated at fair value through OCI include investments in equity shares of listed companies. These investments were irrevocably designated at fair value through OCI as these investments represent investments that the Group intends to hold for long term for strategic purposes.

3.5.1 Derivative financial instruments

Open forward foreign exchange contracts at 31 December 2023 totalled US$60.5M (A$93.6M) at a weighted average exchange rate of 0.65 with maturity dates from January to May 2024.

Open foreign currency option contracts at 31 December 2023 totalled US$1.1B at a weighted average strike price of 0.85 with maturity dates from January to September 2024.

3.5.2 POSCO call option (A)

Under the terms of the Shareholders Deed executed with POSCO (note 3.4) for the acquisition of an 18% interest in JV Co., the Company was granted certain additional rights in the form of four options referred to as Options A through to D (Options). In accordance with *AASB 9 Financial Instruments,* these Options are classified as financial instruments and measured at fair value.

Fair value calculation

The Company has used the Black Scholes model to measure the fair value of the Options. For Call Option A, the spot price assumption for the Black Scholes model is estimated using a discounted cashflow or net present value (NPV) of the projected future cash flows of JV Co. A weighted average cost of capital (WACC) of 12.25% (post tax) is applied to the projected future cash flows as well as a minority interest discount (owing to the Company’s shareholding being a minority shareholding) and a marketability discount (owing to the project not being traded in a liquid market). The spot price is determined to be $113.9M.

For Call Option A, the other key assumptions of the Black Scholes model are; expected volatility of 75%; expected life of 1 year; a risk-free interest rate of 3.77%; and an exercise price of $57.3M. As at 31 December 2023, the fair value of Option A was determined to be $63.8M, representing a $53.0M decrease on the fair value recorded at 30 June 2023 of ($116.8M). The primary driver of the decrease in valuation is a decrease in JV Co. NPV and spot price. This was in turn driven by an increase in forecast project costs and a reduction in forecast commodity prices for spodumene concentrate and lithium hydroxide.

Options B, C and D will only be exercised if certain future scenarios occur such as significant cost overruns (referred to as vesting conditions). The fair value of these options is determined by adjusting the Black Scholes value by a probability factor based on the likelihood that the future scenarios will occur. At the reporting date, this probability was considered to be remote given major construction works continued and commissioning activities commenced during the December quarter. Management have therefore determined the fair value of these options is nil.

Sensitivity

The fair value of Option A at 31 December 2023 is $63.8M. The following two sensitivities have been performed over key estimates and would impact the spot price used in the Black Scholes model:

- Commodity price for spodumene concentrate and lithium hydroxide: A 10% increase in the commodity price assumption utilised in the NPV model would result in a $22.4M increase in the option value to $86.2M, a 10% decrease in pricing would result in a $21.3M reduction in the option value to $42.5M.
- WACC (post tax): A 1% decrease (or increase) in WACC would result in a $11.2M increase (or $10.0M decrease) in the option value to $75.0M or ($53.9M).

3.6 Trade and other payables

	31 December 2023 $'000	30 June 2023 $'000
Current		
Trade payables	27,274	29,637
Accruals	124,917	190,479
Contract liabilities	7,746	7,492
Unearned revenue[1]	7,430	8,697
Other payables	2,104	1,601
Provisional pricing	242,091	149,306
	411,562	387,212
Non-Current		
Contract liabilities	-	3,880
	-	3,880

[1] At 30 June 2023, unearned revenue included an $8M government grant received under the Modern Manufacturing Initiative as part of the Mid-stream Demonstration Plant JV. During the period, all the remaining grant conditions were met and $1.5M was utilised and offset against feasibility expenditure (refer note 2.3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

3.7 Borrowings and lease liabilities

	31 December 2023 $'000	30 June 2023 $'000
Current		
Secured syndicated debt facility	33,041	34,087
Secured government debt facility	26,316	26,316
Lease liabilities	73,446	63,928
	132,803	124,331
Non-Current		
Secured syndicated debt facility	95,555	115,305
Secured government debt facility	212,736	74,624
Lease liabilities	51,653	75,161
Convertible bonds (refer note 3.4)	84,868	82,528
	444,812	347,618

Debt covenants

The Group complied with the financial covenants under its borrowing facilities during the half-year.

The secured debt facilities include a cash sweep mechanism whereby the Company is required to make mandatory repayments in the event it pays an external dividend or other form of distribution to its shareholders, including but not limited to a share buyback after 30 September 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

3.7.1 Secured syndicated debt facilities, secured government debt facilities, convertible bond and lease liabilities

	Secured syndicated debt facility $'000	Secured syndicated debt facility $'000	Secured government debt facility $'000	Convertible bonds [1] $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2022	155,384	-	-	79,326	57,254	291,964
Additions	-	171,238	105,927	-	123,915	401,080
Interest expense	7,777	4,254	1,385	3,202	6,726	23,344
Payments	(174,540)	(21,298)	(1,385)	-	(48,806)	(246,029)
Transaction costs	-	(4,262)	(5,666)	-	-	(9,928)
Transaction costs amortised	4,438	261	154	-	-	4,853
Foreign exchange loss / (gain)	6,941	(801)	525	-	-	6,665
Balance at 30 June 2023	-	149,392	100,940	82,528	139,089	471,949
Balance at 1 July 2023	-	149,392	100,940	82,528	139,089	471,949
Additions	-	-	142,264	-	21,631	163,895
Interest expense	-	6,298	5,512	2,340	5,762	19,912
Payments	-	(23,044)	(5,512)	-	(41,350)	(69,906)
Terminations	-	-	-	-	(33)	(33)
Transaction costs amortised	-	429	285	-	-	714
Foreign exchange gain	-	(4,479)	(4,437)	-	-	(8,916)
Balance at 31 December 2023	-	128,596	239,052	84,868	125,099	577,615

[1] Pilbara Minerals initial 18% interest in the equity accounted investment in the incorporated joint venture with POSCO was funded from the $79.6M, five-year Convertible Bonds provided by POSCO (refer note 3.4).

4. Capital

	31 December 2023		30 June 2023	
	$'000	Number ('000)	$'000	Number ('000)
Fully paid ordinary shares	966,948	3,009,468	966,230	2,998,187
Total share capital on issue at end of period	966,948	3,009,468	966,230	2,998,187
Movements in ordinary shares on issue:				
On issue at beginning of period	966,230	2,998,187	965,078	2,976,848
Shares issued during the period:				
Exercise of options/vesting of performance rights	718	11,281	1,152	21,339
On issue at end of period	966,948	3,009,468	966,230	2,998,187

5. Dividends

Dividends determined and paid during the period.

	31 December 2023		31 December 2022	
	Dividends per share	Total	Dividend per share	Total
	Cents	$'000	Cents	$'000
Final franked dividend	14.00	421,021	-	-
	14.00	421,021	-	-

Dividends determined and not recognised as a liability.

	31 December 2023		31 December 2022	
	Dividends per share	Total	Dividend per share	Total
	Cents	$'000	Cents	$'000
Interim franked dividend	-	-	11.00	329,781
	-	-	11.00	329,781

At 31 December 2023 the value of franking credits available (at 30%) was $757.3M (June 2023: $63.6M). The final dividends recommended after 31 December 2023 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2024.

6. Subsequent events

There is no 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 consolidated financial statements and notes thereto, as set out on pages 18 to 34, are in accordance with the *Corporations Act 2001* including:

    a. complying with Australian 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 2023 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 section 303(5) of the *Corporations Act 2001*.

Kathleen Conlon
Non-Executive Chairman

21 February 2024

Independent Auditor's Review Report

To the shareholders of Pilbara Minerals Limited

Report on the Interim Financial Report

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 2023 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 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of profit or loss, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 6 comprising material accounting policies and other explanatory information; and
- 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 these requirements.

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; and*
- 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 2023 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
21 February 2024

CORPORATE DIRECTORY

Pilbara Minerals Limited

ABN 95 112 425 788
Incorporated in Australia

Directors

Kathleen Conlon	Non-Executive Chairman
Dale Henderson	Managing Director & Chief Executive Officer
Steve Scudamore AM	Non-Executive Director
Nicholas Cernotta	Non-Executive Director
Sally-Anne Layman	Non-Executive Director
Miriam Stanborough AM	Non-Executive Director

Company Secretary

Danielle Webber

Principal Registered Office in Australia

Level 2, 146 Colin Street
West Perth WA 6005
Tel: + 61 8 6266 6266
Fax: + 61 8 6266 6288
Website: www.pilbaraminerals.com.au

ASX Code

PLS

Share Register

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Tel: 1300 850 505

Auditors

KPMG
235 St Georges Terrace
Perth WA 6000

Pilbara Minerals

Powering a sustainable energy future

PilbaraMinerals.com.au