

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Pilbara Minerals Limited

ABN

95 112 425 788

Quarter ended ("current quarter")

31 December 2019

| Consolidated statement of cash flows | Current quarter | Year to date (6 months) |
|---|------------------------|------------------------------------|
| | \$A'000 | \$A'000 |
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 27,907 | 42,544 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (548) | (1,605) |
| (b) development - feasibility | (2,581) | (3,219) |
| (c) production | (30,335) | (63,347) |
| (d) staff costs | (2,637) | (5,270) |
| (e) administration and corporate costs | (1,448) | (2,989) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 196 | 448 |
| 1.5 Interest and other costs of finance paid * | (5,085) | (10,204) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | 224 | 574 |
| 1.9 Net cash from / (used in) operating activities | (14,307) | (43,068) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | - | |
| (a) property, plant and equipment | (49) | (123) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets - mine properties | (6,898) | (18,317) |

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| | | | |
|------------|---|----------------|-----------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (6,947) | (18,440) |

| | | | |
|-------------|---|---------------|----------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 70,000 | 111,520 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (2,252) | (3,938) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings ** | (2,037) | (4,021) |
| 3.7 | Transaction costs related to loans and borrowings | (56) | (86) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 65,655 | 103,475 |

| | | | |
|------------|--|----------------|----------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 60,896 | 63,576 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (14,307) | (43,068) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (6,947) | (18,440) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 65,655 | 103,475 |
| 4.5 | Effect of movement in exchange rates on cash held | 249 | 3 |
| 4.6 | Cash and cash equivalents at end of period | 105,546 | 105,546 |

* Includes \$0.7M of payments for the December 2019 quarter (\$1.4M YTD) associated with leases prescribed under the new accounting standard *AASB16 Leases* which had previously been classified as payments for production. Refer comment below.

** Represents payment for leases prescribed under the new accounting standard *AASB16 Leases* which was effective from 1 July 2019. These payments relate to existing contracts that have been defined as leases under the new accounting standard and previously would have been classified as either payments for production (1.2(c)) or payments for administration and corporate costs (1.2(e)).

| 5. Reconciliation of cash and cash equivalents | Current quarter | Previous quarter |
|---|------------------------|-------------------------|
| at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | \$A'000 | \$A'000 |
| 5.1 Bank balances | 20,392 | 3,542 |
| 5.2 Call deposits | 85,154 | 57,354 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 105,546 | 60,896 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter |
|------------------------|
| \$A'000 |
| 491 |
| - |

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter |
|------------------------|
| \$A'000 |
| - |
| - |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | 142,735 | 142,735 |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | 21,410 | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

The Company's Loan facility is a USD \$100M senior secured debt bond facility. The coupon rate is 12% per annum with interest payable quarterly in arrears. The Company also has a USD \$15M secured working capital facility with BNP Paribas, the interest rate is LIBOR plus 2%. Both facility amounts shown above are restated to reflect the closing AUD:USD foreign exchange rate at 31 December 2019 of 0.7006.

| 9. Estimated cash outflows for next quarter | \$A'000 |
|---|----------------|
| 9.1 Exploration and evaluation | 795 |
| 9.2 Capital - operating capital, feasibility costs and mine properties in development (*) | 6,866 |
| 9.3 Production (**) | 19,792 |
| 9.4 Staff costs | 2,210 |
| 9.5 Administration and corporate costs | 1,221 |
| 9.6 Other (***) (provide details if material) | 4,310 |
| 9.7 Total estimated cash outflows | 35,194 |

* Includes Stage 1 operations capital (including plant improvement projects) and development costs associated with the Stage 2 expansion of the Pilgangoora Project (including feasibility study, early works and long lead items).

** Represents production costs forecast for payment during the March 2020 quarter. Forecast cash inflows for the quarter associated with the sale of concentrate products are not included in the table above.

*** Other cash flows include \$4.3M for interest payments due under the senior secured bond facility.

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| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | Nil | | | |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | L45/528 | Granted | 100 | 100 |
| | | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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(Director/Company secretary)

Date: 30 January 2020

Print name: Alex Eastwood

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.