

## Chairman's Address: 2021 Annual General Meeting

Good afternoon everyone

The past financial year has been a remarkable year for Pilbara Minerals, with a strong turnaround in the global lithium market – combined with responsible business and operational management – underpinning a period of exceptional growth for the Company.

When I stood before you at last year's Annual General Meeting, Pilbara Minerals had a solid foundation. We had a world-class 222 million tonne lithium resource at our Pilgangoora Operation and had successfully weathered a very tough 15-month period in which spodumene concentrate prices had fallen by around 30 per cent, the emerging COVID-19 situation was impacting global markets and lithium producers were struggling to stay afloat.

Throughout this time, Pilbara Minerals maintained a sensible and prudent operating strategy that saw production from our Pilgangoora Operation moderated to align with our customers' requirements and conserve our working capital. In addition, we completed a range of important improvement projects across the operation to optimise our mining and processing regime.

All of these measures were designed to ensure that Pilbara Minerals was positioned to capitalise on what we believed would be the inevitable turnaround in the lithium market.

Today I stand before you having witnessed a significant resurgence in global commodity markets in recent years.

Over the course of the past financial year, spot prices for spodumene concentrate have increased from around US\$400 per tonne (SC6.0, normalised CIF China basis) to as high as US\$975 per tonne at the end of the reporting period. And they have continued to climb strongly since, with the Company recently receiving a sales price equivalent to US\$2,629/dmt via our online sales portal.

In response to growing customer demand, the Pilgangoora Operation was able to rapidly scale-up production over the course of the year, with shipments of spodumene concentrate more than doubling between the first and final quarters to reach a record 95,972 tonnes in the June Quarter of FY21.

This rapid pivot away from the previous moderated production regime to achieve record sales at Pilgangoora in FY2021 reflects an operating strategy that is a credit to our entire workforce and I mean the entire workforce, both on and off site.

Importantly, we also delivered record plant throughput and high recoveries at Pilgangoora, reflecting the successful plant improvement projects undertaken over the past 18 months. Additionally, and further enhancing the Company's position within the global lithium supply chain, the strategic acquisition of the neighbouring Altura Lithium Operations in January this year was also a pivotal development.

This acquisition has positioned Pilgangoora as one of the largest hard rock lithium operations in the world, providing Pilbara with a substantially increased resource base with strong operational and geological synergies.

Together with our drilling and exploration programs, the Altura acquisition has increased our consolidated Mineral Resource base at Pilgangoora to 309 million tonnes – an increase of 39 per cent in total resource tonnage compared with the previous depleted resource statement reported as at 30 June 2020.

Following the completion of successful integration studies, we have recently commenced commissioning of the coarse production circuit at the renamed Ngungaju Plant, which formed part of the Altura acquisition, with first spodumene concentrate produced from Ngungaju in October this year.

Ngungaju is expected to be at full capacity by mid next year, increasing our global production by up to 200,000 tonnes of spodumene concentrate per annum, to a targeted total of between 560,000 and 580,000 dry metric tonnes per annum across the two processing plants.

Beyond these strong operational results, the past year has also seen positive progress towards growing our sales and diversifying our product portfolio.

We have recently finalised a joint venture agreement with the South Korean industrial company POSCO to develop and operate a lithium hydroxide monohydrate conversion facility in South Korea.

The new facility will form an important part of POSCO's overall supply chain for the lithium raw materials market – both in South Korea and abroad – and supports Pilbara Minerals' strategic objective of becoming a fully integrated lithium raw materials company, while also diversifying our global customer base.

Production from the new facility is scheduled to commence from the second half of 2023, which is expected to coincide with burgeoning global lithium chemicals demand.

Other strategic initiatives include work on the development of a midstream lithium salt product and the development of a new electronic trading platform – the Battery Material Exchange – to facilitate direct sales of Pilgangoora ore into the buoyant spot market. Ken Brinsden will cover both of these initiatives in more detail shortly.

Having cemented our status as one of the world's biggest suppliers of lithium raw materials over the past 12 months, we are conscious more than ever of our role in driving the global green energy revolution.

In keeping with this status, we are working to develop a best-in-class climate strategy with a focus on minimising our impact, and mitigating the potential financial and operational risks, of climate change, while maintaining a focus on worker health and safety and building upon our strong culture.

I am proud of our achievements over the past 12 months and would like to acknowledge the outstanding hard work and commitment of the entire Pilbara Minerals team.

I would also like to thank our shareholders for the ongoing support.

**ANTHONY KIERNAN**  
**Chairman AM**

*Release authorised by Anthony Kiernan, Chairman of Pilbara Minerals Limited.*

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## MORE INFORMATION

### About Pilbara Minerals

Pilbara Minerals is the leading ASX-listed lithium company, owning 100% of the world's largest, independent hard-rock lithium operation. Located in Western Australia's resource-rich Pilbara region, the Pilgangoora Project and Operation produces a spodumene and tantalite concentrate. The significant scale and quality of the operation has attracted a consortium of high quality, global partners including Ganfeng Lithium, General Lithium, Great Wall Motor Company, POSCO, CATL and Yibin Tianyi.

While it continues to deliver a low-cost, quality spodumene to market, Pilbara Minerals is pursuing a growth and diversification strategy to become a sustainable, low-cost lithium producer and fully integrated lithium raw materials and chemicals supplier in the years to come.

Through execution of this strategy, Pilbara Minerals is positioned to become a major player in the rapidly growing lithium supply chain, underpinned by increasing demand for clean energy technologies such as electric vehicles and energy storage as the world pursues a sustainable energy future.