

CHAIRMAN'S ADDRESS: 2018 ANNUAL GENERAL MEETING

Ladies and Gentlemen,

2018 has been a truly remarkable year for Pilbara Minerals.

When I delivered my address to shareholders at last year's Annual General Meeting, we had just commenced bulk earthworks for the development of the Pilgangoora Lithium-Tantalum Project in the Pilbara.

As I address you today, construction and commissioning is completed at Pilgangoora; the ramp-up of production, shipments and cash-flow well underway arriving at a point where Pilbara Minerals is a fully fledged producer and seller of lithium and tantalite concentrates.

Earlier this month, the Pilgangoora Project was officially opened by Western Australia's Minister for Mines and Petroleum, Bill Johnston MLA, at a ceremony on site which was attended by a range of people including representatives of the Traditional Owners, the Njamal People, and our project development and offtake partners.

The official opening came almost exactly four years to the day since Pilbara Minerals' first drill hole into the Pilgangoora deposit – marking the culmination of an incredible journey which must represent one of Australia's fastest and most efficient major new mine developments of recent times.

I am pleased to say that we are now undertaking shipments of both lithium and tantalite concentrates from the Pilgangoora Project to our customers, with binding off-take agreements in place for proposed production under both the current Stage 1, 2Mtpa project and the recently Board-approved Stage 2 (subject to finance and statutory approvals), 5Mtpa project.

To have achieved these milestones on time is a credit to our dedicated group of staff and contractors – some of whom are here at today's AGM.

Some of our major achievements over the past 12 months have included:

- Completion of construction and commissioning of the Stage 1, 2Mtpa Pilgangoora processing plant, with production of the first fines concentrates in June and the first coarse concentrates in July 2018;
- Completion of sales for each of Pilgangoora's three product streams – lithium concentrate, tantalite concentrate and spodumene direct shipping ore – with all products meeting or exceeding quality specifications;
- Delivery of a positive Definitive Feasibility Study for the Stage 2, 5Mtpa Pilgangoora expansion project, with exceptional financial outcomes and robust economics. Based on the strength of these results, Pilbara

Minerals' Board of Directors formally approved the Stage 2 expansion earlier this month subject to final finance and statutory approvals;

- Execution of an agreement with the large South Korean company POSCO, under which POSCO invested A\$79.6 million in a direct equity investment into Pilbara Minerals shares and entered into a binding Stage 2 off-take agreement. The agreement also provided for a feasibility study into a downstream chemical processing plant in South Korea between POSCO and Pilbara Minerals the demonstration plant for which Alex Eastwood and myself inspected in Gwangyang, South Korea a few weeks ago; and
- Ongoing exploration drilling programs at the Project which have delivered a 36% increase in the Pilgangoora Mineral Resource which now stands at an estimated 2.82 million tonnes of lithium oxide and 54.6 million pounds of tantalum oxide. This reinforces the outstanding credentials of the Pilgangoora Project – a project which is, by any measure, one of the most important lithium and tantalum resources globally.

Reflecting the continued increase in our market capitalisation, the growing depth of our share register and investor base, and our arrival as a mid-tier producer, Pilbara Minerals was included during the year in the benchmark S&P ASX 200 Index which represents the 200 largest ASX-listed stocks.

Our market capitalisation touched A\$2 billion during the year and has since settled at around A\$1.5 billion, notwithstanding the considerable recent volatility in global equity markets. I believe this reflects our transition to producer status, combined with the scale, quality and low-cost base of the Pilgangoora Project.

Pilbara Minerals' transition from development to production at Pilgangoora coincides with a revolutionary period within the global lithium space, as lithium's widespread use in conventional industries such as ceramics, glass and pharmaceuticals is overtaken by the rapid growth in the lithium ion battery, portable electronics, electric vehicle and mass energy storage sectors.

Against this backdrop of expected significant demand growth, and in light of the world-class credentials of the Pilgangoora Mineral Resource, the Company is now moving forward with the expansion of the Pilgangoora Project from the current 2Mtpa mining operation to 5Mtpa, subject to obtaining necessary regulatory approvals and securing the balance of project funding.

Turning to the coming 12 months, 2019 will be characterised by the same energy and enthusiasm that has underpinned our success to date. Key milestones that we will be targeting in the year ahead include:

- Completing the ramp-up to Stage 1, 2Mtpa 'nameplate' capacity at the Pilgangoora Project;
- Obtaining the necessary regulatory approvals and securing the balance of project funding for the Stage 2, 5Mtpa project expansion;
- Progressing our downstream value-adding strategy; and
- Conducting further exploration and drilling programs to continue to expand the Pilgangoora Project's Mineral Resource and Ore Reserve base.

Positive progress towards each of these objectives will further strengthen Pilbara Minerals' position at the forefront of the emerging global lithium boom with a project which we believe is on track to become a top-3 global producer within the next two years.

I would like to sincerely acknowledge the tireless efforts of both Ken and the broader Pilbara Minerals team over the past 12 months in successfully overseeing the Company's transition from exploration, through development, and into production. This transition throws up the usual hurdles for exploration companies transitioning to producer – however, the management team has managed the entire process with the utmost professionalism and efficiency. And I acknowledge the contribution of all employees in this regard. A job really well done and one they should each be proud of.

I also acknowledge the contribution of each of the directors who have provided great support, direction and effectiveness as directors. They have skills and experience in areas enabling a valuable contribution to be made and certainly are not just seat warmers.

With the start of production and cash-flow, I believe the upcoming year will be an exciting and positive period which will see Pilbara Minerals continue to move forward in leaps and bounds. I hope you share my enthusiasm for our future, and would like to thank all of our shareholders for their support.

TONY KIERNAN

Chairman

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