

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

Name of entity

Pilbara Minerals Limited

ABN

95 112 425 788

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(732)	(1,886)
(b) development - feasibility	(815)	(1,299)
(c) production	-	-
(d) staff costs	(1,250)	(2,065)
(e) administration and corporate costs	(1,190)	(2,233)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	725	1,121
1.5 Interest and other costs of finance paid	(5,497)	(9,271)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	1,980	1,980
1.8 Other (provide details if material)	(272)	(587)
1.9 Net cash from / (used in) operating activities	(7,051)	(14,240)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(100)	(188)
(b) tenements (see item 10)	(30)	(30)
(c) investments	-	-
(d) other non-current assets – mine properties in development	(40,202)	(70,625)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	300
(b) tenements (see item 10)	-	-
(c) investments	8	8
(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	(40,324)	(70,535)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	28,000	56,857
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	12,819	12,870
3.4 Transaction costs related to issues of shares, convertible notes or options	(268)	(2,510)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(97)
3.7 Transaction costs related to loans and borrowings	(254)	(587)
3.8 Dividends paid	-	-
3.9 Other	91	2,960
3.10 Net cash from / (used in) financing activities	40,388	69,493

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	78,953	87,248
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(7,051)	(14,240)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(40,324)	(70,535)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	40,388	69,493
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period (*)	71,966	71,966

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* Cash and cash equivalents does not include restricted cash. During June 2017 the Company received bond proceeds of \$132.3M (US\$100M) following settlement of a senior secured bond facility. Upon settlement the bond proceeds were deposited into an escrow account pursuant to the terms and conditions of the bond.

Whilst bond proceeds are held in escrow they are classified as “restricted cash”. Access to these funds held in the escrow account will be restricted until the satisfaction of a cost to complete test expected to be carried out during the March 2018 quarter, following which funds will be withdrawn from the escrow account to meet construction and development payments associated with the Pilgangoora Project.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	17,212	72
5.2 Call deposits	54,754	78,881
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)	71,966	78,953

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
231
-

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
-
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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	128,205	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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.		

On 21 June 2017 the Company completed settlement of a US\$100M senior secured bond facility. The bonds were issued by the Company's wholly owned subsidiary Pilgangoora Operations Pty Limited and are administered by the bond trustee, Nordic Trustee ASA. The coupon rate is 12% per annum with interest payable quarterly in arrears. The facility amount shown above of \$128.2M has been restated to reflect the closing foreign exchange rate at 31 December 2017.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	346
9.2 Development – feasibility and mine properties in development	64,788
9.3 Production	-
9.4 Staff costs	756
9.5 Administration and corporate costs	957
9.6 Other (*) (provide details if material)	4,016
9.7 Total estimated cash outflows	70,863

* Other cash flows include \$3.8M for interest payments due under the senior secured bond facility.

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				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	M45/1266	Application	0%	100%
	P45/3058	Application	0%	100%
	L45/426	Granted	100%	100%
	L45/430	Granted	100%	100%
	L45/411	Granted	100%	100%
	L45/425	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: 

(Company secretary)

Date: 25 January 2018

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.