



**Pilbara  
Minerals**

...Powering a Sustainable Energy Future

ASX / MEDIA ANNOUNCEMENT

25 JANUARY 2019

## DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

**Strong operating performance at the Pilgangoora Lithium-Tantalum Project as the ramp up of the Stage 1 processing plant continues, demonstrating product quality and production growth in Stage 1; as Stage 2 expansion takes shape.**

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### HIGHLIGHTS

#### Production and Marketing

- Strong ramp up of production with a quarterly total of 47,859 dry metric tonnes (“dmt”) of +6% spodumene concentrate and 56,634 pounds (“lbs”) of tantalite concentrate.
- Landmark first shipment of +6% spodumene concentrate on board the ‘M.V. Pola Devora’ departed Port Hedland on 2 October 2018 with 8,800 wet metric tonnes (“wmt”).
- Quarterly sales of 46,682dmt of spodumene concentrate with tonnes weighted average grade of 6.11% Li<sub>2</sub>O and iron content of 1.27% Fe<sub>2</sub>O<sub>3</sub>. Tantalite concentrate sales of 27,821lb.
- Monthly plant throughput averaged 140,074t for the Quarter, representing approximately 85% of the targeted annualised Stage 1 throughput rate of 2Mtpa.

#### Project Development

- Pilgangoora Lithium-Tantalum Project officially opened by Western Australia’s Minister for Mines and Petroleum, the Hon. Bill Johnston MLA on 16 November 2018.
- Continued ramp up of Stage 1 production and further progress made with optimisation of the process plant.
- Final Investment Decision progressed for the Stage 2, 5Mtpa expansion, subject to securing necessary approvals and balance of funding.
- Stage 2 engineering works and long-lead items progressed during the Quarter.
- Potential Stage 3 expansion being evaluated in response to customer requests to unlock further production capacity of up to 6.2Mtpa and potentially up to 7.5Mtpa.

#### Exploration

- Infill reverse circulation grade control drilling program underway within the Eastern Resource Domain in advance of mining operations.
- Successful water exploration program identifies two new borefields west of Pilgangoora Lithium-Tantalum Project, providing additional water to support the current operation and Stage 2/3 expansion initiatives.

#### Corporate

- Funding terms agreed with both Ganfeng Lithium and Great Wall Motor Company, which are expected to cornerstone a proposed funding package for the Stage 2 – 5Mtpa expansion.
- Non-binding Memorandum of Understanding executed with POSCO to consider a larger jointly owned chemical conversion facility of up to 40ktpa LCE (currently 30ktpa LCE).
- Cash balance as at 31 December 2018 of A\$70.2M (30 September 2018: A\$90.6M).

Ken Brinsden, Pilbara Minerals' Managing Director and CEO, said:

*"The official opening of the Pilgangoora Project capped-off another exceptionally busy and productive Quarter marking a key milestone on our pathway to building a globally significant lithium and tantalum raw materials supply business.*

*"The opening was a very special occasion in the Company's history which provided us an opportunity to celebrate the contribution of many people and organisations who have helped contribute to delivering this world-class project including employees, government, traditional owners, offtake partners and many business contracting partners.*

*"Remarkably, this event was held almost exactly four years to the day since our first drill hole into the Pilgangoora deposit – an incredible journey which must stand as one of the fastest and most efficient mine developments in the Australian resources sector's recent history.*

*"The outstanding credentials of the Pilgangoora Project were also reinforced with the Board of Directors approving the development of the Stage 2 expansion project, which will see the mining and processing rate more than double to 5Mtpa.*

*"Our customers continued to show strong support for the Project's future by underpinning the funding package for the Stage 2 expansion and encouraging us to continue to expand, which will now see us embark on studies for a possible Stage 3 expansion of up to 7.5Mtpa.*

*Our partnership with POSCO continues to go from strength to strength, and the new year saw us enter a non-binding MoU for a potential larger conversion facility of up to 40ktpa LCE in South Korea. POSCO's desire to increase chemical conversion capacity is a clear indicator of the exponential rate in which the South Korean lithium market is growing, and I am excited for us and our shareholders that through this partnership we are positioned at the forefront of this emerging market"*



Figure 1: The official opening of the Pilgangoora Lithium-Tantalum Project on 16 November 2018

## 1. OVERVIEW

Australian lithium producer, Pilbara Minerals Limited (ASX: PLS) (“Pilbara Minerals” or “the Company”) continued to deliver positive progress at its 100%-owned Pilgangoora Lithium-Tantalum Project in Western Australia (“Project” or “Pilgangoora Project”) during the December 2018 Quarter (“Quarter”), with production successfully ramping up towards the Stage 1, 2Mtpa name plate capacity and Pilbara Minerals’ Board giving formal approval (subject to securing approvals and financial close) to proceed with the Stage 2, 5Mtpa expansion.

During the Quarter, the Company celebrated a major milestone in its rapid emergence as a new global lithium producer with the official opening of the Pilgangoora Project by Western Australia’s Minister for Mines and Petroleum, the Honourable Bill Johnston MLA. The ceremony was also attended by the Federal Minister for Environment and Member for Durack, the Honourable Melissa Price MP; Traditional Owners, the Njamal People; project and offtake partners; and employees.

The official opening comes just over four years to the day since Pilbara Minerals’ first drill hole. This rapid project delivery timeline represents one of Australia’s fastest and most efficient major lithium developments of recent times.

During the Quarter commissioning and ramp up of the operation progressed strongly, with the first product shipment departing Port Hedland port on 2 October 2018. Ramp up of the processing plant continued achieving plant throughput run-rates of 270tpa, with spodumene concentrate production of approximately 85% of the Stage 1 design capacity being achieved during December 2018.

Following the Board’s Final Investment Decision (“FID”) for the Stage 2, 5Mtpa expansion, Pilbara Minerals agreed customer financing terms during the Quarter with Jiangxi Ganfeng Lithium Co. Ltd (Ganfeng Lithium) and Great Wall Motor Company (Great Wall Motors), which will support their access to further spodumene concentrate from Stage 2 production, and cornerstone Pilbara Minerals’ proposed Stage 2 funding package.

Stage 2 early project works also commenced in the Quarter, with the Company placing long-lead orders for certain items of major equipment and continuing detailed engineering in order to meet its commissioning target of March quarter 2020.

With Stage 2 early projects works underway, Pilbara Minerals will now begin an assessment of a possible Stage 3 expansion to 6.2Mtpa initially and potentially up to 7.2Mtpa.

Finally, Pilbara Minerals continued to strengthen its leadership position in the growing South Korean lithium supply market with the execution of a non-binding MOU with POSCO to consider a larger chemical conversion facility of up to 40ktpa LCE in South Korea (currently 30ktpa LCE).

## 2. SAFETY PERFORMANCE

Safety performance for the Quarter was positive, with the Quarter ending with a rolling 12-month total recordable injury frequency rate (TRIFR) of 3.21, an improvement from 3.46 from the prior quarter.



Figure 2: Spodumene concentrate stockpiles at the Pilgangoora Project

### 3. PRODUCTION AND SALES

	Units	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
<b>Ore mined</b>	<i>wmt</i>	0	0	344,549	525,559	895,399
<b>Waste mined</b>	<i>wmt</i>	151,812	1,832,205	2,851,161	1,884,335	2,021,821
<b>Total material mined</b>	<i>wmt</i>	151,812	1,832,205	3,195,710	2,409,894	2,917,220
<b>Ore processed</b>	<i>wmt</i>	-	-	-	173,667 <sup>1</sup>	420,221

Table 1: Total ore mined and processed

<sup>1</sup> A proportion of processed ore tonnes resulted in off-specification spodumene concentrate (approximately 5,074dmt) which is typical during the commissioning and process ramp up phase. These tonnes will be either reprocessed or sold.

	Units	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
<b>Direct Shipping Ore (DSO) sold</b>	<i>wmt</i>	-	-	145,974	205,766	0 <sup>2</sup>
<b>Spodumene concentrate produced (6% Li<sub>2</sub>O)</b>	<i>dmt</i>	-	-	-	11,015 <sup>1</sup>	47,859
<b>Spodumene concentrate sold</b>	<i>dmt</i>	-	-	-	0	46,682
<b>Tantalite concentrate produced</b>	<i>lb</i>	-	-	-	22,151	56,634
<b>Tantalite concentrate sold</b>	<i>lb</i>	-	-	-	4,974	27,821 <sup>3</sup>

Table 2: Production and sales

<sup>1</sup> Q1 FY19 spodumene concentrate produced has been adjusted for half-year surveyed stocks reconciliation.

<sup>2</sup> The DSO program was suspended in Q2 FY19.

<sup>3</sup> Sales estimates pending final assays results.

	Units	Q1 FY19	Q2 FY19
<b>ROM stockpile</b>	<i>dmt</i>	N/A <sup>1</sup>	665,633
<b>Coarse ore stockpile</b>	<i>dmt</i>	N/A <sup>1</sup>	82,430
<b>Spodumene product stock at site</b>	<i>dmt</i>	N/A <sup>1</sup>	17,266 <sup>2</sup>
<b>Tantalite product stock at site</b>	<i>lb</i>	17,177	45990

**Table 3: Stock inventory**

<sup>1</sup> No previous reporting for period due to completion of build and commissioning phase.

<sup>2</sup> Spodumene stock includes production of low grade stockpiles of 5,074dmt during commissioning.

## 4. OPERATIONS OVERVIEW

### 4.1 Mining

Mining activities at the Pilgangoora Project continue to progress well, with increased mining volumes from the prior quarter being consistent with the overall project ramp-up plan and required ore feed.

Mine production during the Quarter comprised 895,399 ore tonnes grading 1.39% Li from both Central and Monster pits.

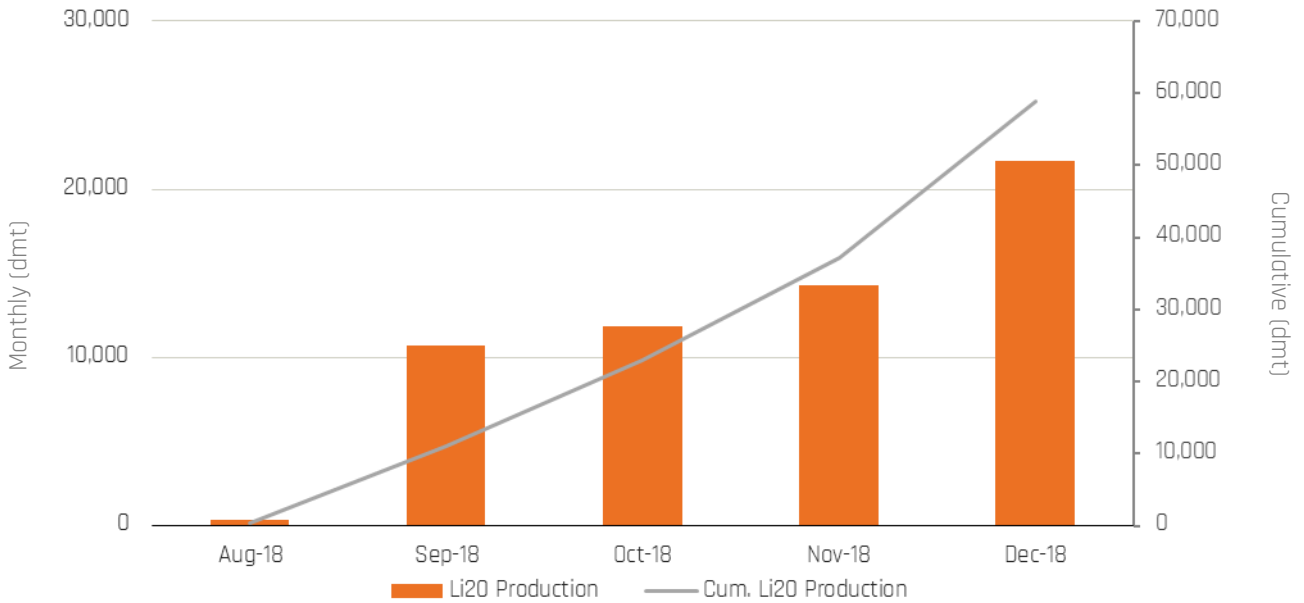
### 4.2 Processing

Mill throughput for the Quarter totalled 420,221dmt, with the Pilgangoora Project's concentrator performing within expectations for both product throughput and concentrate quality throughout the Quarter.

The concentrator continued to demonstrate encouraging performance by maintaining sustained design throughput capacity of 270tph during the Quarter, outside of planned and unplanned shutdowns.

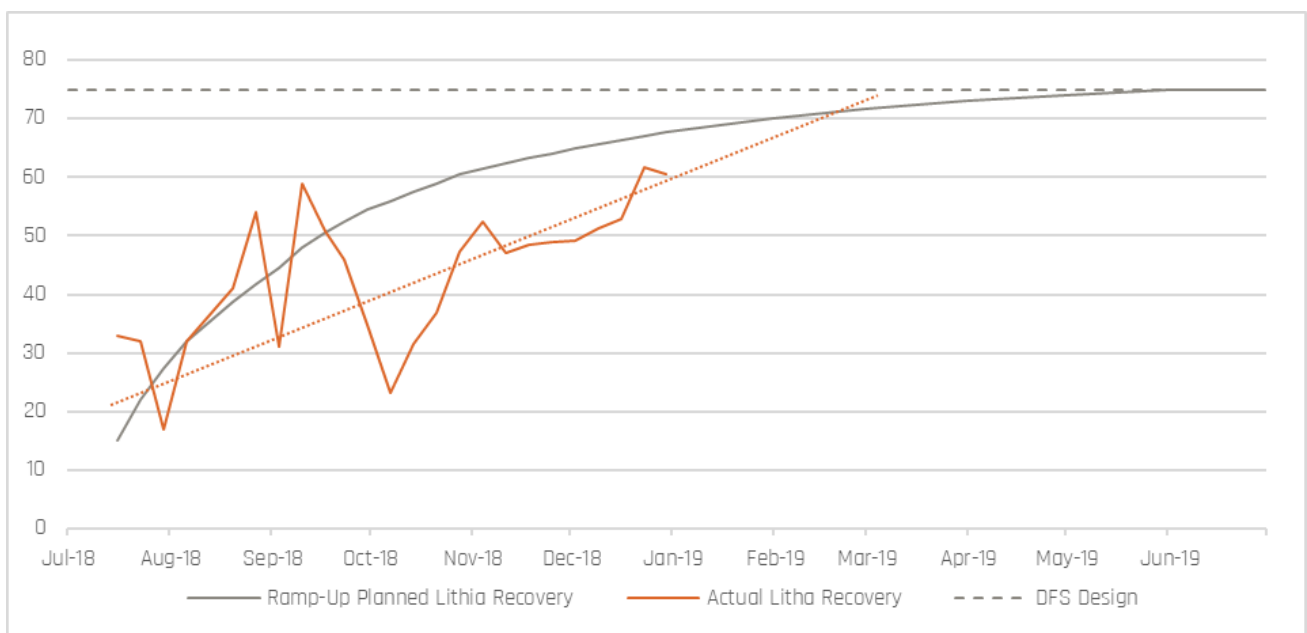
Total spodumene concentrate produced continued to improve on a monthly basis with December 2018 production achieving ~85% of the expected Stage 1, 2Mtpa design (Figure 3).

Product quality performance out performed, consistently exceeding customer requirements in respect of lithia and deleterious element grades. For the Quarter, the tonnes-weighted average grades across the first four shipments was 6.11% Li<sub>2</sub>O and 1.27% Fe<sub>2</sub>O<sub>3</sub>.



**Figure 3: Saleable monthly and cumulative spodumene concentrate production (dmt)**

Improved lithia recovery was also achieved during the Quarter as the ramp up of the processing plant continued (Figure 4). Optimisation work centred around improving lithia recovery and increasing the processing plant's utilisation (plant up-time) as part of the plant's ramp up plan, and the Company is confident this plan will contribute to further production growth in the coming months to achieve design concentrate production capacity.



**Figure 4: Lithia recovery comparing; actual, planned and design recovery (% lithia recovery)**

### 4.3 Sales

Four shipments of spodumene concentrate were completed during the Quarter, totalling 46,682dmt of concentrate grading 6.11% lithia and 1.27% Fe<sub>2</sub>O<sub>3</sub>. The product was a blend of coarse and fines concentrate and was shipped to offtake partners in north Asia.

The DSO program is currently suspended pending a final evaluation from Pilbara Minerals, its customer (Atlas Iron) and end customer (Sinosteel) (*refer ASX announcement dated 2 January 2018*).

A provisional 27,821lb of tantalite concentrate was sold during the Quarter (pending final assay results).

## 5. PROJECT DEVELOPMENT



Figure 5: Pilgangoora Project (left); Site tour with the WA Minister for Mines (ore stockpiles ready for concentrating) (right)

### 5.1 Stage 2, 5Mtpa – Financial Investment Decision and Early Works

During the Quarter, the Pilbara Minerals Board approved the Stage 2, 5Mtpa Pilgangoora Project expansion subject to the Company securing the necessary approvals and the balance of project funding.

The FID for the Stage 2 expansion follows the successful completion of a definitive feasibility study (*refer ASX announcement dated 3 August 2018*) and offtake commitments for 100% of the Stage 2 expanded spodumene concentrate production, with strong support from the Company's customer base regarding funding and their desire to continue to expand their production base.

Stage 2 early project works are progressing with detailed engineering underway and Pilbara Minerals placing long-lead orders for select major equipment.

### 5.2 Stage 3 Expansion

As previously announced, in response to enquiries from existing offtake customers (and others), Pilbara Minerals has commenced evaluating opportunities for a potential Stage 3 expansion (*refer to ASX announcements dated 2 January 2019*).

Study work indicates a Stage 3 incremental increase would best be sized to increase in-feed through-put from 5Mtpa to 6.2Mtpa. A further extension is also under evaluation to increase total in-feed capacity to 7.5Mtpa, delivering up to 1.2Mtpa of ~6% spodumene concentrate and

1,100,000lbspa +5% tantalite concentrate. This increase in production is underpinned through the existing Pilgangoora Project Ore Reserve.

The decision and timing for delivery of any proposed Stage 3 expansion is subject to a range of factors including final customer demand, financing, environmental approvals and further economic and technical analysis. It is not envisaged that any Stage 3 expansion would be commissioned any sooner than early 2021.

**\*Note to Production Statement:** The Ore Reserves underpinning the above production targets have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition) and were released by the Company to ASX on 17 September 2018 (“Pilgangoora Reserve and Resource Upgrade”). The relevant proportions of proven Ore Reserves and probable Ore Reserves that underpin the production targets are 20% proven Ore Reserves and 80% probable Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in that release and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

## 6. EXPLORATION

### 6.1 Pilgangoora Project Exploration

Reverse circulation (“RC”) grade control drilling has commenced in advance of scheduled mining activity within the Eastern pit area. At the Quarter end, a total of 184 holes were completed for 7,804m with the program expected to continue through to the end of March 2019.



Figure 6: Pilgangoora Project - RC grade control drilling underway in the Eastern Domain

As previously announced (*refer September 2018 Quarterly Activities Report*), assessment of the resource model and geology within the Pilgangoora Project resulted in a revised Exploration Target of 50-90 million tonnes grading 1.0-1.5% Li<sub>2</sub>O (lithia), which is in addition to the current JORC total Measured, Indicated and Inferred Resource of 226 million tonnes grading 1.27% Li<sub>2</sub>O and 116ppm Ta<sub>2</sub>O<sub>5</sub> and 0.60% Fe<sub>2</sub>O<sub>3</sub>. With customer demand supporting the opportunity for further growth beyond Stage 2, Pilbara Minerals will be undertaking an additional exploration RC drilling over a series of the higher priority target areas in March 2019.



**\* Note to Exploration Target:** The potential quantities and grades of the Exploration Target are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the estimation of a Mineral Resource.

During the Quarter, Pilbara Minerals continued with water exploration drilling to source additional supply for the Stage 2 and potential Stage 3 expansion projects. A total of 18 exploration pilot holes were drilled for 1,548m. The program was highly successful resulting in the development of two borefields including eight new production water bores to the west of the Pilgangoora Project. The supplementary water supply will significantly add to the overall site water balance in support of current activities and water requirements for future expansion(s).

## **6.2 Mt Francisco Joint Venture (PLS 70% / AGO 30%, Pilbara Minerals earning up to 80%)**

During the Quarter, joint venture partners provided Pilbara Minerals notice that the Earn-in Expenditures have been completed and Pilbara Minerals has earned a 70% interest in the Mt Francisco joint venture. Rock chip sampling was undertaken over several of the surface geochemistry anomalies identified. There were no significant results at this stage of the exploration program.

## **7. CORPORATE**

### **7.1 Commercial Production**

As at 31 December 2018, the Pilgangoora Project remained in the commissioning and ramp up phase and had not yet achieved commercial production. All commissioning and pre-production ramp up costs incurred at the Pilgangoora Project, net of revenue derived from the sale of spodumene concentrate, prior to the declaration of commercial production, are capitalised against project development costs.

Once commercial production is declared, the capitalisation of operating costs (net of revenue earned) will cease and revenues will be recognised as income in the period earned and operating costs will either be attributed to inventory or expensed in the period they are incurred. Upon the declaration of commercial production, depreciation of capitalised project development costs will also commence.

Pilbara Minerals will continue to assess the progress of commissioning and ramp up at the Pilgangoora Project and determine whether commercial production has been achieved, assessed against a range of operating and cost criteria.

The Company aims to achieve commercial production during the March 2019 quarter.

### **7.2 Proceeds from Sales**

During the Quarter, Pilbara Minerals shipped 46,682dmt of 6% spodumene concentrate at an average selling price of US\$742/dmt CFR, which is reflective of the offtake pricing model developed with its key customers.

For China sales, the spodumene concentrate pricing model establishes a price reference weighted towards Chinese domestic Battery Grade Carbonate sales, with the balance based on the price of imported lithium carbonate to select cathode materials buyers.

China domestic battery grade lithium carbonate pricing had been impacted by various factors during the course of 2018, including (but likely not limited to) changes to the EV subsidy regime, the draw-down of stocks throughout the lithium ion battery supply chain and the availability and pricing of lower-grade Chinese brine supply (particularly through the December half).

Clearly this has impacted chemical convertor margins within China, with a corresponding impact on spodumene pricing outcomes. Lithium chemicals pricing within China appears to have stabilised in the latter part of 2018.

No funds were received during the Quarter from the sale of DSO material under the mine gate DSO Sale Agreement with Atlas Iron (*refer ASX announcement dated 18 June 2018*) as Atlas Iron drew down stock sold by PLS in the previous quarter to deliver to Sinosteel.

### **7.3 Cash Balance**

Pilbara Minerals had a cash balance of A\$70.3M as at 31 December 2018 (A\$90.6M as at 30 September 2018).

Major items of expenditure during the Quarter included:

- A\$52.5M on the Pilgangoora Project operation, inclusive of Stage 1 pre-production commissioning and ramp costs, and costs associated with the development and construction of both Stage 1 and Stage 2 of the Project.
- A\$6.0M on DSO mining costs associated with prior quarter activities.
- A\$4.2M in interest and financing payments largely associated with the USD senior secured bond facility.
- A\$3.6M on payroll, administration and corporate costs.
- A\$1.9M on exploration and evaluation work in relation to the Pilgangoora Project (including associated feasibility studies).

The Company received proceeds of A\$48.0M during the Quarter largely from the sale of spodumene concentrate.

Pre-production costs incurred during the Quarter included expenditure to establish inventory levels that will support the ongoing operations at Pilgangoora. The cost value of inventory held by the Company at 31 December 2018 totalled \$33.3M.

Pre-production operating costs during the December Quarter were reflective of the ramp up activities underway and are expected to normalise over the coming 2-3 quarters, as the operation ramps up to its -life-of-mine name plate capacity of ~320,000dmt pa of spodumene concentrate.

At 31 December 2018, the Company's USD15M Working Capital Facility remains undrawn.

### **7.4 POSCO Memorandum of Understanding ("MoU")**

Strong demand from South Korean customers and their partners resulted in the execution by Pilbara Minerals of a non-binding MoU with POSCO to consider a larger jointly owned chemical conversion facility in South Korea of up to 40ktpa LCE (currently 30ktpa LCE) (subsequent to the Quarter end). The proposed facility would be supported by additional offtake from the Pilgangoora Project with the existing offtake agreement for spodumene concentrate to increase from 240,000tpa to 315,000tpa over the life of the mine.

Pilbara Minerals' right to participate as a 30% joint venture partner in this South Korean joint venture chemical conversion facility is required to be exercised on or before 28 February 2019, with final documentation and board approvals to be completed in May 2019. Due diligence activities to assess the proposed joint development in South Korea commenced during the Quarter, with key commercial terms of the joint venture (previously agreed between the parties) expected to be formalised in joint venture documentation in the coming months.

The non-binding MoU strengthens Pilbara Minerals' position in the South Korean lithium supply market and further demonstrates the emergence of this region as a future significant player in the global battery supply chain.

### **7.5 Stage 1 Funding and Project Completion**

During the Quarter Pilbara Minerals continued to comply with the terms and conditions of the secured USD Nordic Bond used to finance Stage 1 of the Pilgangoora Project.

Based upon Bloomberg data, the Nordic Bond traded in the range of 109.1 to 113.8 during the Quarter. This implies a yield to maturity range of 9.1% to 7.2%, with the last trade being at 111.5 and representing a yield to maturity of ~8%. This compares favourably to the Nordic Bond's original coupon rate of 12% and is a reflection of the success in project development, commissioning and ramp-up and more broadly the overall success of the Nordic Bond funding model in support of the Pilgangoora Project.

Subsequent to the end of the Quarter, the Company achieved Project Completion under the terms of the secured USD Nordic Bond used to finance Stage 1 of the Pilgangoora Project.

The USD Nordic Bond requires an Independent Engineer to assess when the Company has achieved Project Completion. Prior to achieving Project Completion, the Company is required to continue to satisfy various requirements including, amongst other things, a Cost-to-Complete test. In determining when Project Completion has been achieved the Independent Engineer is required to undertake a site visit and be satisfied that:

- all material authorisations, approvals and requirements are in full force and effect and able to support sustainable operations;
- a minimum of 30,000t of 6.0% Li<sub>2</sub>O spodumene concentrate with a satisfactory specification has been delivered to and accepted by customers;
- a minimum 25,000lbs of marketable tantalite concentrate up to 30% Ta<sub>2</sub>O<sub>5</sub> has been delivered to and accepted by customers; and
- the entire logistics chain for spodumene concentrate is operating in accordance with the Project Construction Plan.

### **7.6 Stage 2 Funding**

During the Quarter, Pilbara Minerals progressed negotiations with customers whereby access to Stage 2 product would be provided in exchange for the customers providing Stage 2 funding (as previously foreshadowed and contemplated in existing offtake agreements). These negotiations culminated in the announcement on 2 January 2019 that:

- Great Wall Motors, had agreed to provide a US\$25M (~A\$35.5M) offtake pre-payment facility to satisfy its Stage 2 funding commitment; and

- Ganfeng Lithium had agreed to subscribe for a A\$50M equity placement, to satisfy its Stage 2 funding commitment.

These commitments from key customers are expected to cornerstone Pilbara Minerals' financing package to fund the Stage 2 capital expenditure of A\$231M and related working capital.

The funding package is expected to include additional debt financing, with Pilbara Minerals' preferred source being a proposed new US\$50M (~A\$70.9M) Nordic bond to be issued in accordance with the terms and conditions of the Company's existing Nordic Bond ("Tap Issue").

Pilbara Minerals continues to assess a range of debt funding options in support of both the remaining funding for the Stage 2 development and the continued growth of the Company's working capital and hedging positions.

Once completed, the final funding package, together with Pilbara Minerals' existing cash reserves and future cash-flow from Stage 1 operations, should see the Stage 2 expansion being fully-funded.

### **Contacts:**

#### Investors / Shareholders

Ken Brinsden  
Managing Director and CEO  
Ph. +61 (0)8 6266 6266

#### Media

Nicholas Read  
Read Corporate  
Ph. +61 (0)8 9388 1474

### **Competent persons statements**

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr John Holmes (full-time Exploration and Geology Manager of Pilbara Minerals Limited). Mr Holmes is a shareholder of Pilbara Minerals. Mr Holmes is a member of the Australasian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Holmes consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The Company confirms it is not aware of any new information or data that materially affects the information included in the 17 September 2018 Pilgangoora Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 17 September 2018.

The Company confirms it is not aware of any new information or data that materially affects the information included in the 17 September 2018 Pilgangoora Ore Reserve Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 17 September 2018.

### **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. All references to dollars (\$) and cents in this announcement are to Australian currency, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

**Appendix 1 – Tenement Table as at 31 December 2018**

Tenement	Location	Status	Registered Holder	PLS beneficial holding at start of period	PLS beneficial holding at end of period
<b>ACTIVE TENEMENTS and APPLICATIONS AT COMMENCEMENT OF THE QUARTER</b>					
E45/2241	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/3560	Pinnacle	Granted	Pilbara Minerals Limited	100%	100%
E45/3648	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4523	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4624	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4633	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4640	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4648	Pinga	Granted	Pilbara Minerals Limited	100%	100%
E45/4689	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
E45/4270	Mt Francisco	Granted	Pilbara Minerals Limited / Atlas Iron Ltd	51%	51%
E45/5332	Pilgangoora	Application	Pilbara Minerals Limited	100%	100%
L45/396	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/402	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/403	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/411	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/413	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/414	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/417	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/421	Pilgangoora	Application	Pilbara Minerals Limited	100%	100%
L45/425	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/426	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/429	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
L45/430	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/434	Pilgangoora	Application	Pilbara Minerals Limited	100%	100%
L45/449	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/450	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/453	Pilgangoora	Application	Pilbara Minerals Limited	100%	100%
L45/454	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
L45/473	Pilgangoora	Granted	Pilgangoora Operations Pty Ltd	100%	100%
M45/1256	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
M45/1266	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
M45/333	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
M45/511	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
M45/78	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
P45/2783	Pilgangoora	Granted	Pilbara Minerals Limited	100%	100%
P45/3058	Pilgangoora	Application	Pilbara Minerals Limited	100%	100%
<b>APPLICATIONS MADE DURING THE QUARTER</b>					
L45/477	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
L45/478	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
L45/479	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
L45/480	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%



L45/481	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
L45/482	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
L45/497	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
M45/1275	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
P45/3096	Pilgangoora	Application	Pilgangoora Operations Pty Ltd	0%	100%
TENEMENTS DISPOSED OF DURING THE QUARTER					
Nil					