



**Pilbara
Minerals**

...Powering a Sustainable Energy Future

ASX / MEDIA ANNOUNCEMENT

9 JULY 2019

PRODUCTION, SALES AND CORPORATE UPDATE

HIGHLIGHTS

- Shipped tonnes for June 2019 Quarter of 43,214 dmt; at the higher end of recently stated guidance.
- Pilbara Minerals expects its production and sales to return to full capacity for the December 2019 Quarter, based on the latest discussions with customers.
- New offtake agreement signed with China's Great Wall Motor Company, with first shipment expected in August 2019.
- Strong progress on proposed POSCO JV for the downstream chemical conversion facility in South Korea.
 - In-principle agreement reached on final joint venture terms; and
 - Respective Board authorisations expected during the Sept Qtr.

Pilbara Minerals Limited (ASX: PLS) ("Pilbara Minerals" or "the Company") provides the following update on its spodumene concentrate production and shipped tonnes for the June 2019 Quarter, and the production and sales outlook for the second half of 2019 calendar year.

PRODUCTION AND SHIPPING - JUNE QUARTER

The Pilgangoora Lithium-Tantalum Project's ("Pilgangoora Project") production in the month of June was 19,490 dmt (dry metric tonnes) of spodumene concentrate, which is consistent with the most recent guidance range (ASX release of 17 June 2019). Total production during June reflects the previously advised extended plant shutdown, which lasted for 4.5 days. This demonstrates another strong quarter of production performance that is consistent with the Company's plans towards continuing plant capacity growth, targeting 100% of design lithia recovery by the end of CY2019.

Spodumene concentrate production during the June 2019 Quarter totalled 62,334 dmt.

Shipped tonnes for the June 2019 Quarter totalled 43,214 dmt, which was at the upper end of previous guidance for the Quarter. Importantly, the quality of the Pilgangoora Project's concentrate shipped has continued to be very consistent. Grade shipped during the June 2019 Quarter was 6.0% Li_2O and 1.2% Fe_2O_3 respectively, with minimum variation per vessel.

PRODUCTION AND SALES OUTLOOK

Since providing its market update on 17 June 2019, Pilbara Minerals has continued to engage with its customers and is pleased to advise it has now clarified timing for deliveries in the second half of 2019 calendar year (based on market conditions known or expected at this time).

As a result, Pilbara Minerals expects sales to be in the range of 35,000-48,000 dmt during the September 2019 Quarter. This will be met from a combination of existing concentrate stocks and future production. Pilbara Minerals will also proceed with the scheduled 14-day (approximately) plant shutdown later this month, as previously advised. During this time, work will be undertaken to further

improve plant performance including progressing some of the previously advised RCR rectification works.

Supported by agreed delivery schedules with key customers, sales are expected to more closely align with full plant production from 1 October 2019 (considering the continued ramp-up of plant performance). Pilbara Minerals anticipates sales for the December 2019 Quarter to be in the range of 65,000-80,000 dmt.

Sales in the second half of the 2019 calendar year will be strengthened by an additional offtake agreement recently signed with China's Great Wall Motor Company ("Great Wall"). Deliveries under this contract are set to start in August 2019 at the rate of 20,000 dmt per annum and continue for a period of approximately six years. Sales volumes to Great Wall are expected to be in the range 15,000 to 20,000 dmt during the second half of the 2019 calendar year.

Great Wall has been pushing hard to expand its presence in the lithium-ion supply chain. This has culminated in it requesting that Pilbara Minerals make offtake available earlier and at greater volume than anticipated by prior agreements.

Pilbara Minerals has and will continue to make sales to additional customers in China, where the Company looks to expand its relationships throughout the lithium-ion supply chain.

POSCO JOINT VENTURE - SOUTH KOREAN CHEMICAL CONVERSION FACILITY

Pilbara Minerals is also pleased to report that it continues to make strong progress in its growing relationship with POSCO which has included a recent meeting between executives of both companies in South Korea.

At this meeting, Pilbara Minerals and POSCO reached an in-principle agreement on final joint venture terms for the downstream chemical conversion plant. These terms are now being formalised into both a shareholder's agreement and supporting amendments to the existing offtake agreement, which will see Pilbara Minerals support the proposed joint venture's annual capacity of 40,000t LCE (lithium carbonate equivalent) with spodumene concentrate supply over the life of the project.

The offtake agreement with POSCO is based on the strength of lithium chemicals pricing in South Korea, which is supported by the growing market for lithium chemicals among key Tier 1 Korean battery manufacturers. Supply to the proposed Korean chemical plant will also have the benefit of further diversifying Pilbara Minerals' spodumene concentrate sales arrangements.

The two parties remain on target to finalise all joint venture documentation for submission to the parties' respective boards for approval in the September quarter.

Pilbara Minerals has continued to make modest sales to POSCO in support of the existing large-scale pilot plant (of approximately 2,500 LCE capacity based on spodumene supply). A total of 6,020 dmt has been shipped from the Pilgangoora Project to POSCO to date, with 2,993 dmt shipped during the June 2019 quarter.

The Pilgangoora Project's spodumene concentrate processed via the POSCO plant is producing an industry-leading lithium hydroxide product as POSCO gears-up for participation with Tier 1 battery manufacturers in the growing South Korean and international battery markets.

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MORE INFORMATION

ABOUT PILBARA MINERALS

Pilbara Minerals Limited (Pilbara Minerals – ASX: PLS) is a mining company listed on the ASX, specialising in the exploration and development of the specialty metals lithium and tantalum. Pilbara Minerals owns 100% of the world class Pilgangoora Lithium-Tantalum project which is one of the world's premier lithium development projects. Pilgangoora is also one of the largest pegmatite hosted tantalite resources in the world and Pilbara Minerals produces a tantalite by-product of its spodumene production.

ABOUT LITHIUM

Lithium is a soft silvery white metal which is highly reactive and does not occur in nature in its elemental form. It has the highest electrochemical potential of all metals, a key property in its role in lithium-ion batteries. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. A key growth area is its use in lithium batteries as a power source for a wide range of applications including consumer electronics, power station-domestic-industrial storage, electric vehicles, power tools and almost every application where electricity is currently supplied by fossil fuels.

ABOUT TANTALUM

The tantalum market is boutique in size with total global demand of approximately 1,700 tonnes of tantalum metal per year. Tantalum is primarily used in the electronics industry in the manufacture of capacitors for high-end applications like telecommunications and data storage. It is also used in semi-conductors, engine turbine blades and medical implants. As well as providing ductility, toughness, corrosion resistance, thermal conductivity and heat resistance to various other applications.

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.