



ASX/Media Announcement

23 November 2017

CHAIRMAN'S ADDRESS

2017 ANNUAL GENERAL MEETING

Ladies and Gentlemen:

Such is the rapidly changing landscape for an emerging resource developer like Pilbara Minerals that many of the highlights and achievements detailed in our 2017 Annual Report have already been superseded.

Notwithstanding this, I would like to begin by briefly recapping the progress achieved since last year's AGM before foreshadowing what lies ahead for Pilbara Minerals in 2018.

Achievements in the past 12 months have included:

- The signing of the Pilgangoora Native Title Agreement, the subsequent grant of the Mining Lease and receipt of all outstanding permits and approvals for the project;
- The delivery of a further major increase in the Pilgangoora Mineral Resource and Ore Reserve, confirming its status as a globally significant hard rock lithium deposit and underpinning a 40-year mine life at the Stage 1 production rate of 2Mtpa;
- The completion of a binding off-take and financing support agreement with the leading Chinese lithium company, Jiangxi Ganfeng Lithium Co. Ltd, for the balance of our Stage 1 output;
- The successful completion of a A\$228 million project funding package comprising a well-supported bond issue, institutional share placement and oversubscribed Share Purchase Plan; and
- The announcement of a Final Investment Decision for the Pilgangoora Project, the award of all major contracts and the rapid commencement and ramp-up of site construction activities.

In addition, the Company has been able to secure its longer term growth pipeline during the year by:

- Commencing the Stage 2 Definitive Feasibility Study based on an increased production rate of 5Mtpa;
- Completing a A\$28 million equity subscription, off-take and funding deal with China's Great Wall Motor Company, which secures off-take and funding for our Stage 2 expansion. Interestingly, this represents the first direct investment by an automobile manufacturer into an Australian upstream supplier of lithium raw materials;
- Acquiring an initial 51% interest in the lithium, tantalum and tin mineral rights to the Mt Francisco Project from Atlas Iron, giving us an exciting growth opportunity at one of the last remaining significant lithium exploration assets in the Pilbara;
- Advancing discussions regarding a potential joint venture for a downstream lithium chemical conversion facility for the rapidly growing lithium-ion battery industry.

The combination of Pilbara's progress in successfully financing and commencing construction of one of the world's most important new lithium projects underscores the transformational events occurring in the global lithium-ion supply chain.

In this regard, it is terrific to note that the Company's market capitalisation has increased from around \$700 million this time last year to over \$1.5 billion today. A staggering feat and, as I mentioned at last year's AGM, the market capitalisation of Pilbara Minerals a few years back was sitting at \$11 million and today is +\$1.5 billion.

Pilbara Minerals Limited

Surely this reflects the quality of the Pilgangoora Project in terms of its scale, longevity and anticipated low operating cost base, as well as the exceptional quality of our product – which matches perfectly the long-term requirements of our customer base.

Turning to the year ahead, shareholders can look forward to an increasing pace of growth and activity across the Company. In this regard, we expect:

- The start of commissioning and ramp-up of shipments at Pilgangoora, which is on track to occur during the second quarter of next year;
- Further growth in our Mineral Resource and Ore Reserve inventory, paving the way for our Stage 2 project of substantially increased production;
- The delivery of the DFS on the Stage 2 expansion to 5Mtpa by mid-2018;
- The start of exploration drilling at the Mt Francisco Project, which has excellent potential to become our future second production hub in the Pilbara; and
- The continued development of our customer off-take arrangements and strategic partnerships globally, including our participation in potential downstream processing ventures.

I would like to express my thanks to the Pilbara Minerals team under Ken Brinsden for their hard work, drive and commitment, which has enabled the Company to unlock the exceptional value of the Pilgangoora Project at the perfect time in the market cycle for lithium.

Next year, Pilbara will join the ranks of mid-tier miners as a producer of high-quality spodumene concentrate from a new state-of-the-art mine and production facility in the Pilbara.

Where we are today is exceptional and achieved in the space of less than four years from original acquisition and exploration at Pilgangoora.

It will also be a fitting reward for the Company's large shareholder base, including the many long-standing shareholders who have supported us from the outset. I thank you for your support and look forward to sharing the next chapter of this exciting journey with you.

TONY KIERNAN
Chairman

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