

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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(608)	(4,494)
(b) development - feasibility	(1,332)	(6,029)
(c) production	-	-
(d) staff costs	(580)	(2,186)
(e) administration and corporate costs	(1,095)	(4,828)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	339	2,149
1.5 Interest and other costs of finance paid	-	(68)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	76
1.8 Other (provide details if material)	(585)	(972)
1.9 Net cash from / (used in) operating activities	(3,861)	(16,352)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(171)
(b) tenements (see item 10)	(2,871)	(7,872)
(c) investments	-	-
(d) other non-current assets – mine properties in development	(26,019)	(44,754)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	147
(b) tenements (see item 10)	-	-
(c) investments	-	-
(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	(28,891)	(52,650)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	66,465	66,465
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	1,946
3.4 Transaction costs related to issues of shares, convertible notes or options	(2,112)	(2,112)
3.5 Proceeds from borrowings (*)	132,310	132,310
3.6 Repayment of borrowings	(17)	(257)
3.7 Transaction costs related to loans and borrowings	(5,491)	(5,491)
3.8 Dividends paid	-	-
3.9 Other (*) (restricted cash)	(136,651)	(136,651)
3.10 Net cash from / (used in) financing activities	54,504	56,210

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	65,496	100,040
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,861)	(16,352)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(28,891)	(52,650)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	54,504	56,210
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	87,248	87,248

* 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 and prepaid interest of \$4.3M were deposited into an escrow account (\$136.7M) pursuant to the terms and conditions of the bond. As certain restrictive conditions remain in place whilst the funds are held in escrow they have been classified as “restricted cash”. Access to the funds held in the escrow account will be restricted until the satisfaction of pre-disbursement conditions precedent after which funds may be withdrawn from the escrow account under a cost to complete mechanism to fund project development.

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	118	6,898
5.2 Call deposits	87,130	58,598
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)	87,248	65,496

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
193
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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	130,005	-
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 \$130.0M has been restated to reflect the closing foreign exchange rate at 30 June 2017.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,768
9.2 Development – feasibility and mine properties in development	27,369
9.3 Production	-
9.4 Staff costs	707
9.5 Administration and corporate costs	993
9.6 Other (*) (provide details if material)	10,080
9.7 Total estimated cash outflows	40,917

* Other cash flows include \$3.0M for the acquisition of exploration assets, \$4.3M for interest payments due under the senior secured bond facility and \$2.7M of transaction costs mainly associated with equity fund raising activities during the quarter.

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	E47/2261	Surrendered	45%	0%
	E47/1815	Surrendered	45%	0%
	E47/1814	Surrendered	45%	0%
	E47/1813	Surrendered	45%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	L45/403, Pilgangoora	Grant	100%	100%

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	E45/4624* Pilgangoora	Grant	0%	100%
	E45/4633* Pilgangoora	Grant	0%	100%
	E45/4640* Pilgangoora	Grant	0%	100%
	E45/4689* Pilgangoora	Grant	0%	100%
	L45/429	Application	0%	100%
	L45/430	Application	0%	100%

* The tenements were acquired as part of an agreement signed with Dakota Minerals Limited for the Lynas Find acquisition during December 2016 and were granted during the June 2017 quarter.

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:

(Director/Company secretary)

Date: 31/07/2017

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.