

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Pilbara Minerals Limited

ABN / ARBN:

95 112 425 788

Financial year ended:

30 June 2016

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: <http://pilbaraminerals.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 11 October 2016 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 11 October 2016

Name of Secretary authorising lodgement: Alex Eastwood

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter as part of our Corporate Governance Policy on our website: http://pilbaraminerals.com.au/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... | |
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| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 2.3 | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 2.4 | <p>A majority of the board of a listed entity should be independent directors.</p> | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.5 | <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.6 | <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... | |
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| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <ul style="list-style-type: none"> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in our Code of Conduct as part of our Corporate Governance Policy on our website: http://pilbaraminerals.com.au/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... | |
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| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in our Continuous Disclosure Policy as part of our Corporate Governance Policy on our website: http://pilbaraminerals.com.au/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://pilbaraminerals.com.au/ | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in our Shareholders Communication Policy as part of our Corporate Governance Policy on our website: http://pilbaraminerals.com.au/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... | |
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| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|--|--|
| 7.2 | The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. | ... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | [If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | ... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... | |
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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|--|--|---|
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the "Remuneration Report" which forms part of the Directors' Report in our 2016 Annual Report and our Remuneration Committee Charter as part of our Corporate Governance Policy on our website: http://pilbaraminerals.com.au/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|---|---|--|
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

CORPORATE GOVERNANCE STATEMENT

For Year Ended 30 June 2016

Pilbara Minerals Limited ABN 95 112 425 788 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

In light of the Company's growth during the Reporting Period (including the Company's admission to the ASX S&P 300, the Board reviewed its governance-related documentation after the Reporting Period, and adopted updated documentation on 6 October 2016 (**New Policies and Practices**). Governance-related documents in relation to the New Policies and Practices can be found on the Company's website at www.pilbaraminerals.com.au, under the section marked "Corporate Governance Policies".

The Company reports below on whether it has followed each of the recommendations during the year ended 30 June 2016 (**Reporting Period**), as such, reporting is against the policies and practices which were in place during the Reporting Period (**Former Policies and Practices**). The Former Policies and Practices are now superseded by the New Policies and Practices.

The following former governance-related documents can be found on the Company's website at www.pilbaraminerals.com.au, under the section marked "Corporate Governance Policies". The Company operated under the Former Policies and Practices during the Reporting Period.

Charters

Board

Audit Committee

Nomination Committee

Remuneration Committee

Policies and Procedures

Code of Conduct

Securities Trading Policy

Continuous Disclosure Policy

Shareholders Communication Policy

Risk Management and Internal Compliance and Control

Performance Evaluation Practices

Diversity Policy

The information in this statement is current at 6 October 2016. This statement was approved by a resolution of the Board on 6 October 2016.

| Principle | Complied | Comment |
|--|----------|--|
| <p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | Yes | <p>The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter, which is disclosed on the Company's website.</p> |
| <p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | Yes | <p>The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a Director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.</p> <p>Two Directors were appointed during the Reporting Period. Appropriate checks of character, experience and education were undertaken before:</p> <ul style="list-style-type: none"> • John Young was appointed to the Board in September 2015; and • Ken Brinsden was appointed to the Board in May 2016. <p>The Company provided shareholders with all material information in relation to the:</p> <ul style="list-style-type: none"> • the election of John Young as a Director; and • the re-election of Neil Biddle as a Director, <p>at its 2015 Annual General Meeting.</p> <p>In accordance with the New Policies and Practices, the Company will undertake checks as to the character, experience, education, criminal record and bankruptcy history of all future Board appointments.</p> |
| <p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | Partial | <p>The Company has a written agreement with each Executive Director and each other senior executive setting out the terms of their appointment.</p> <p>During the Reporting Period the Company had the following Non-Executive Directors:</p> <ul style="list-style-type: none"> • Anthony Leibowitz (appointed 11 June 2013, resigned 1 July 2016); and |

| Principle | | Complied | Comment |
|-----------|--|----------|--|
| | | | <ul style="list-style-type: none"> Robert Adamson (appointed 1 July 2010). <p>At the times of appointment of Messrs Leibowitz and Adamson, given the size of the Company at that stage and the experience and skills that those Non-Executive Directors' possess, the Board did not believe that there would be any benefit to the Company in entering into formal agreements with those Non-Executive Directors. As such, during the Reporting Period, the Company did not have a written agreement with Messrs Leibowitz and Adamson.</p> <p>In accordance with the New Policies and Practices, the Company has and will continue during the current year to enter into written agreements with its Non-Executive Directors.</p> |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board. | Yes | The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter. The Company's Secretary's role is also outlined in the employment agreement between the Company Secretary and the Company. |
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior</p> | Partial | <p>During the Reporting Period, the Company had a Diversity Policy, which is disclosed on the Company's website.</p> <p>The Diversity Policy did not include requirements for the Board to set measurable objectives for achieving gender diversity. Nor has the Board set measurable objectives for achieving gender diversity. Given the Company has a small number of staff, the Board considered during the Reporting Period that it was not practical to set measurable objectives for achieving gender diversity during the Reporting Period.</p> <p>However, the Company has recently adopted a new Diversity Policy in the current financial year which provides for the Remuneration and Nomination Committee to set measurable objectives for achieving diversity that is appropriate for the Company. The Board intends to give diversity further consideration as the Company transitions into construction and operations recognising that cultural and gender diversity may be advantageous as the Company develops the Project in the Pilbara and targets new offshore markets for its operations and products including potentially in Malaysia and China.</p> |

| Principle | | Complied | Comment | | | | | | | | | | |
|-----------------------------------|--|----------|--|--|---------------------|---------------------------|---------------------|------------------------|---------------------|-----------------------------------|-----------------|--------------|-----------------|
| | <p>executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | | <p>The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at the date of this statement are set out in the following table. "Senior executive" for these purposes means a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the Company's financial standing. For the Reporting Period, this includes the Managing Director and the CFO/those employees that report directly to the Managing Director:</p> <table border="1"> <thead> <tr> <th></th> <th>Proportion of women</th> </tr> </thead> <tbody> <tr> <td>Whole organisation</td> <td>3 out of 19 (15.8%)</td> </tr> <tr> <td>Total employees</td> <td>3 out of 17 (17.6%)</td> </tr> <tr> <td>Senior executive positions</td> <td>0 out of 5 (0%)</td> </tr> <tr> <td>Board</td> <td>0 out of 4 (0%)</td> </tr> </tbody> </table> <p>The Company is not a 'relevant employer' under the Workplace Gender Equality Act.</p> | | Proportion of women | Whole organisation | 3 out of 19 (15.8%) | Total employees | 3 out of 17 (17.6%) | Senior executive positions | 0 out of 5 (0%) | Board | 0 out of 4 (0%) |
| | Proportion of women | | | | | | | | | | | | |
| Whole organisation | 3 out of 19 (15.8%) | | | | | | | | | | | | |
| Total employees | 3 out of 17 (17.6%) | | | | | | | | | | | | |
| Senior executive positions | 0 out of 5 (0%) | | | | | | | | | | | | |
| Board | 0 out of 4 (0%) | | | | | | | | | | | | |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | Yes | <p>During the Reporting Period, the Board had established a policy to review and evaluate the performance of the Board on an annual basis, including consideration of both qualitative and quantitative measures, and during which the Board will consider any particular goals and objectives of the Board for the next year. The Chair had the primary responsibility for conducting performance appraisals of non-executive directors. The Chair must consult with the Board if any action is to be taken in relation to a director's performance. The Board was responsible for the annual review of the performance of the Managing Director, during which performance measures will be set in consultation with the Managing Director.</p> <p>During the Reporting Period, the Company did not undertake performance evaluations of the Board or individual directors.</p> <p>Under the New Policies and Practices adopted by the Company for the current year, the Chair has overall responsibility for evaluating the Board and, when deemed appropriate, Board committees and individual directors. The Managing Director's performance is reviewed annually by the Remuneration and Nomination</p> | | | | | | | | | | |

| Principle | | Complied | Comment |
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| | | | Committee against pre-determined key performance indicators and short term and long term strategic goals set by the Remuneration and Nomination Committee. |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of, its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | Yes | <p>The Managing Director was responsible for assessing the performance of key executives in the Company through a formal process with each senior executive based on evaluation of agreed performance measures.</p> <p>During the Reporting Period, the Company did not undertake performance evaluations of its senior executives.</p> <p>Under the New Policies and Practices adopted by the Company for the current year, the Managing Director reviews the performance of senior executives against pre-determined key performance indicators and short term and long term strategic goals set by the Managing Director.</p> |
| 2.1 | <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the</p> | Yes | <p>During the Reporting Period, the Board did not establish a separate Nomination Committee. Given the size of the Board during the Reporting Period, the Board did not consider any efficiencies would be gained by having a separate Nomination Committee, and the role was performed by the full Board.</p> <p>Although the Board had not established a separate Nomination Committee, it had adopted a Nomination Committee Charter, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter.</p> <p>The Nomination Committee Charter for the Reporting Period is disclosed on the Company's website.</p> <p>Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board dealt with any conflicts of interest that occurred when it convened as a Nomination Committee by ensuring that the Director with conflicting interest was not party to the relevant discussions.</p> |

| Principle | | Complied | Comment | | | | | | |
|--|--|----------|---|---------------|--------|--|--|-------------------------------------|--|
| | appropriate balance of skills, knowledge, experience, independence, and diversity to enable it to discharge its duties and responsibilities effectively. | | Under the New Policies and Practices adopted for the current year, the Company has reconstituted a separate Remuneration and Nomination Committee with effect from 6 September 2016, whose structure and membership complies with Recommendation 2.1. The Remuneration and Nomination Committee now comprises three Non-Executive Directors, Messrs Kiernan, Adamson and Scudamore. Mr Kiernan is the Chair of the Remuneration and Nomination Committee. | | | | | | |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | Yes | <p>During the Reporting Period, the Board was seeking to expand the mix of skills and diversity represented by the Board's current composition. The Board has continued to work towards the expansion of skills and diversity of its membership after the Reporting Period.</p> <p>During the Reporting Period, given the Company's rapid growth and progression towards mine development, Messrs Young and Brinsden were appointed to increase the size of the Board and to retain additional skills required to move the Company towards its mine development and production phase.</p> <p>The appointment of Messrs Young and Brinsden provided the Board with additional skills in geology, engineering and mine development.</p> <p>Set out below are details of the members of the Board during the Reporting Period and their specific skills:</p> <table border="1"> <thead> <tr> <th>Name/position</th> <th>Skills</th> </tr> </thead> <tbody> <tr> <td>Tony Leibowitz (Non-executive Chairman) (resigned 1 July 2016)</td> <td>Accountant – experience in financial reporting, corporate finance, investment banking, experience in debt and equity markets including promotional activities required to raise capital from the investment community and a broad range of commercial and business experience.</td> </tr> <tr> <td>Neil Biddle (Executive Director)</td> <td>Geologist – experience across a broad spectrum of minerals including exploration, mine development and operations, minerals processing; experience in debt and equity markets including significant experience both within and outside Australia in promotional activities to raise capital from the investment community in the resources sector.</td> </tr> </tbody> </table> | Name/position | Skills | Tony Leibowitz (Non-executive Chairman) (resigned 1 July 2016) | Accountant – experience in financial reporting, corporate finance, investment banking, experience in debt and equity markets including promotional activities required to raise capital from the investment community and a broad range of commercial and business experience. | Neil Biddle (Executive Director) | Geologist – experience across a broad spectrum of minerals including exploration, mine development and operations, minerals processing; experience in debt and equity markets including significant experience both within and outside Australia in promotional activities to raise capital from the investment community in the resources sector. |
| Name/position | Skills | | | | | | | | |
| Tony Leibowitz (Non-executive Chairman) (resigned 1 July 2016) | Accountant – experience in financial reporting, corporate finance, investment banking, experience in debt and equity markets including promotional activities required to raise capital from the investment community and a broad range of commercial and business experience. | | | | | | | | |
| Neil Biddle (Executive Director) | Geologist – experience across a broad spectrum of minerals including exploration, mine development and operations, minerals processing; experience in debt and equity markets including significant experience both within and outside Australia in promotional activities to raise capital from the investment community in the resources sector. | | | | | | | | |

| Principle | | Complied | Comment | | | | | | | | | | | |
|---|---|----------------------------|---|--|---|--|---|--|---|--|-------------------------------------|----|------------------------|--|
| | | | <table border="1"> <tr> <td>Robert Adamson (Non-executive Director)</td> <td>Geologist – over 50 years' experience with domestic and global exploration and mining companies in a broad range of commodities including exploration and mine development.</td> </tr> <tr> <td>John Young (Executive Director) (appointed 4 September 2015)</td> <td>Geologist – experience with minerals exploration, mine development, minerals processing and mine operations, experience in promotional activities to raise capital from the investment community in the resources sector.</td> </tr> <tr> <td>Ken Brinsden (Managing Director) (appointed 4 May 2016)</td> <td>Mining Engineer – experience as managing director of ASX listed companies and in surface and underground mining operations, including mine management, production, and brown-fields and green-fields development.</td> </tr> </table> | Robert Adamson (Non-executive Director) | Geologist – over 50 years' experience with domestic and global exploration and mining companies in a broad range of commodities including exploration and mine development. | John Young (Executive Director) (appointed 4 September 2015) | Geologist – experience with minerals exploration, mine development, minerals processing and mine operations, experience in promotional activities to raise capital from the investment community in the resources sector. | Ken Brinsden (Managing Director) (appointed 4 May 2016) | Mining Engineer – experience as managing director of ASX listed companies and in surface and underground mining operations, including mine management, production, and brown-fields and green-fields development. | | | | | |
| Robert Adamson (Non-executive Director) | Geologist – over 50 years' experience with domestic and global exploration and mining companies in a broad range of commodities including exploration and mine development. | | | | | | | | | | | | | |
| John Young (Executive Director) (appointed 4 September 2015) | Geologist – experience with minerals exploration, mine development, minerals processing and mine operations, experience in promotional activities to raise capital from the investment community in the resources sector. | | | | | | | | | | | | | |
| Ken Brinsden (Managing Director) (appointed 4 May 2016) | Mining Engineer – experience as managing director of ASX listed companies and in surface and underground mining operations, including mine management, production, and brown-fields and green-fields development. | | | | | | | | | | | | | |
| | | | <p>In continuation with broadening the skills of the Board, the following Directors were appointed post the Reporting Period:</p> <table border="1"> <thead> <tr> <th>Name/position</th> <th>Skills</th> </tr> </thead> <tbody> <tr> <td>Tony Kiernan (Non-Executive Chairman) (appointed 1 July 2016)</td> <td>Law – extensively experienced company director in the management and operation of listed companies involved in minerals exploration, mine development and mining operations; extensive experience in corporate governance risk and compliance.</td> </tr> <tr> <td>Steve Scudamore (Non-Executive Director) (appointed 18 July 2016)</td> <td>Chartered Accountant – experience in public accounting practice as partner in an international accounting firm with extensive experience in accounting standards, risk and compliance oversight, corporate governance, valuations and corporate finance.</td> </tr> </tbody> </table> | | Name/position | Skills | Tony Kiernan (Non-Executive Chairman) (appointed 1 July 2016) | Law – extensively experienced company director in the management and operation of listed companies involved in minerals exploration, mine development and mining operations; extensive experience in corporate governance risk and compliance. | Steve Scudamore (Non-Executive Director) (appointed 18 July 2016) | Chartered Accountant – experience in public accounting practice as partner in an international accounting firm with extensive experience in accounting standards, risk and compliance oversight, corporate governance, valuations and corporate finance. | | | | |
| Name/position | Skills | | | | | | | | | | | | | |
| Tony Kiernan (Non-Executive Chairman) (appointed 1 July 2016) | Law – extensively experienced company director in the management and operation of listed companies involved in minerals exploration, mine development and mining operations; extensive experience in corporate governance risk and compliance. | | | | | | | | | | | | | |
| Steve Scudamore (Non-Executive Director) (appointed 18 July 2016) | Chartered Accountant – experience in public accounting practice as partner in an international accounting firm with extensive experience in accounting standards, risk and compliance oversight, corporate governance, valuations and corporate finance. | | | | | | | | | | | | | |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the</p> | Yes | <p>During the Reporting Period, the Board comprised the following Directors:</p> <table border="1"> <thead> <tr> <th>Name/position</th> <th>Independent (Yes/No)</th> <th>Period of service</th> </tr> </thead> <tbody> <tr> <td>Tony Leibowitz (Non-Executive Chairman)</td> <td>No</td> <td>11 June 2013 – 1 July 2016</td> </tr> <tr> <td>Neil Biddle (Executive Director)</td> <td>No</td> <td>30 May 2013 – present*</td> </tr> </tbody> </table> | | Name/position | Independent (Yes/No) | Period of service | Tony Leibowitz (Non-Executive Chairman) | No | 11 June 2013 – 1 July 2016 | Neil Biddle (Executive Director) | No | 30 May 2013 – present* | |
| Name/position | Independent (Yes/No) | Period of service | | | | | | | | | | | | |
| Tony Leibowitz (Non-Executive Chairman) | No | 11 June 2013 – 1 July 2016 | | | | | | | | | | | | |
| Neil Biddle (Executive Director) | No | 30 May 2013 – present* | | | | | | | | | | | | |

| Principle | | Complied | Comment | | | | | | | | | |
|--|---|----------------------------|---|--|-----|-----------------------|------------------------------------|----|----------------------------|-------------------------------------|----|----------------------|
| | <p>independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | | <table border="1"> <tr> <td>Robert Adamson (Non-Executive Director)</td> <td>Yes</td> <td>1 July 2010 – present</td> </tr> <tr> <td>John Young (Executive Director)</td> <td>No</td> <td>4 September 2015 – present</td> </tr> <tr> <td>Ken Brinsden (Managing Director)</td> <td>No</td> <td>4 May 2015 – present</td> </tr> </table> <p>* Mr Neil Biddle ceased being an Executive Director and became a Non-Executive Director on 20 August 2016.</p> <p>The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations.</p> <p>Post the Reporting Period, Messrs Kiernan and Scudamore were appointed as Non-Executive Directors who are independent.</p> | Robert Adamson (Non-Executive Director) | Yes | 1 July 2010 – present | John Young (Executive Director) | No | 4 September 2015 – present | Ken Brinsden (Managing Director) | No | 4 May 2015 – present |
| Robert Adamson (Non-Executive Director) | Yes | 1 July 2010 – present | | | | | | | | | | |
| John Young (Executive Director) | No | 4 September 2015 – present | | | | | | | | | | |
| Ken Brinsden (Managing Director) | No | 4 May 2015 – present | | | | | | | | | | |
| 2.4 | A majority of the board of a listed entity should be independent directors. | No | <p>The Board comprised a majority of Non-Executive Directors from the commencement of the Reporting Period to 4 September 2015, when Mr John Young ceased being Non-Executive and was appointed an Executive Director.</p> <p>The Company actively sought additional Non-Executive Directors during the Reporting Period. However, the appointment of such Directors did not occur until after the Reporting Period, with the appointment of Messrs Kiernan (1 July 2016) and Scudamore (18 July 2016). Further, Mr Neil Biddle ceased being an Executive Director and became a Non-Executive Director on 20 August 2016.</p> <p>For the current year, the Board comprises a majority of Non-Executive Directors, three of whom are independent.</p> | | | | | | | | | |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | No | <p>The Chair of the Board during the Reporting Period was Non-Executive Director, Mr Tony Leibowitz, who was not independent but was not Managing Director or CEO. Mr Leibowitz resigned on 1 July 2016 and was replaced by Mr Tony Kiernan on 1 July 2016. Mr Kiernan is an independent Non-Executive Director.</p> | | | | | | | | | |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and | No | <p>Given the size of the Company at the commencement of the Reporting Period there was no formal induction process for new Directors. Rather any new Director was provided with a personalised induction facilitated by the Company Secretary which was dependent upon the skills, experience and knowledge of the Company</p> | | | | | | | | | |

| Principle | | Complied | Comment |
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| | knowledge needed to perform their role as directors effectively. | | <p>that the new director possessed. A new Director induction included meetings with management and the provision of the Company's policies and procedures.</p> <p>The full Board in its capacity as the Nomination Committee regularly reviews whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively. Where any gaps are identified, the full Board in its capacity as the Nomination Committee considers what training or development should be undertaken to fill those gaps.</p> <p>Under the New Policies and Procedures adopted for the current year, the Company has a formal induction program that it will use when new Directors join the Board and when new senior executives are appointed.</p> |
| 3.1 | <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> | Yes | <p>For the Reporting Period, the Company had established a Code of Conduct for its Directors, senior executives and employees, which is disclosed on the Company's website http://pilbaraminerals.com.au/corporate-governance.</p> |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose;</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> | No | <p>During the Reporting Period, the Board did not establish a separate Audit Committee. Given the size and composition of the Board, the Board believed that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performed the role of Audit Committee.</p> <p>Although the Board had not established a separate Audit Committee, it had adopted an Audit Committee Charter, which is disclosed on the Company's website. When the Board convened as the Audit Committee it carried out those functions which are delegated to it in the Company's Audit Committee Charter.</p> <p>Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board dealt with any conflicts of interest that may have occurred when convening in the capacity of the Audit Committee by ensuring that the Director with conflicting interests was not party to the relevant discussions.</p> <p>Under the New Policies and Practices adopted for the current year, the Company has reconstituted a separate Audit and Risk Committee with effect from 21 July</p> |

| Principle | | Complied | Comment |
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| | (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. | | 2016, whose structure and membership complies with Recommendation 4.1. The Audit and Risk Committee now comprises three independent Non-Executive Directors, Messrs Kiernan, Adamson and Scudamore. Mr Scudamore is the independent Chair of the Audit and Risk Committee. |
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Yes | <p>Prior to the approval of half year and full-year financial statements within a reporting period, the Board requires the Managing Director & CEO and Chief Financial Officer to confirm, in writing, that:</p> <ul style="list-style-type: none"> • the financial records of the company have been properly maintained in accordance with section 286 of the Corporations Act 2001; • the financial statements and notes comply with the Accounting Standards; and • the financial statements and notes give a true and fair view. <p>Before the Board approved the Company financial statements for the half year ended 31 December 2015 and the full-year ended 30 June 2016, it received from the CEO/Managing Director and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | Yes | <p>Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and must arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit.</p> <p>Each year, the Company writes to the Company's auditor to inform them of the date of the Company's annual general meeting.</p> <p>In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the</p> |

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| | | | <p>meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.</p> <p>A representative of the Company's auditor, Somes Cooke attended the Company's annual general meeting held on 30 November 2015.</p> |
| 5.1 | <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | Yes | <p>For the Reporting Period, the Company had established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company's Continuous Disclosure Policy is disclosed on the Company's website.</p> <p>Under the New Policies and Practices, a new Policy on Continuous Disclosure and Compliance Procedures have been adopted by the Company which are disclosed on the Company's website.</p> |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | Yes | The Company provides information about itself and its governance to investors via its website at www.pilbaraminerals.com.au . |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Yes | <p>The Company has designed and implemented an investor relations program and engages an external investor relations firm to facilitate effective two-way communication with investors. During the Reporting Period, this program was set out in the Company's Shareholders Communication Policy (which was disclosed on the Company's website).</p> <p>In accordance with the New Policies and Practices, the Company has adopted a new Shareholder Communication and Investor Relations Policy which will continue to be implemented during the course of the current year.</p> |

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| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Yes | The Company has in place a Shareholders Communication Policy which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders. |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Advanced Share Registry Services at www.advancedshare.com.au . |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p> <p>OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for</p> | Yes | <p>During the Reporting Period, the Board did not establish a separate Risk Committee. Given the size and composition of the Board, the Board believed that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performed the role of the Risk Committee in accordance with the Company's Risk Management and Internal Compliance and Control Policy.</p> <p>The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.</p> <p>The Managing Director is required to report on the progress of, and on all matters associated with, risk management at Board meetings. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.</p> <p>Under the New Policies and Practices, the Company has reconstituted a separate Audit and Risk Committee with effect from 21 July 2016, whose structure and membership complies with Recommendation 7.1. The Audit and Risk Committee now comprises three independent Non-Executive Directors, Messrs Kiernan, Adamson and Scudamore. Mr Scudamore is the Chair of the Audit and Risk Committee. The Company has also adopted a new Risk Management Policy and</p> |

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| | overseeing the entity's risk management framework. | | charter for its Audit and Risk Committee for the current year which is published on the Company's website. | | | | | | |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | No | <p>During the year under review, the Company did not formally review its risk management framework – although risk management was an ongoing function and responsibility of the Board.</p> <p>As part of the adoption of the New Policies and Practices, the Board reviewed the Company's risk management framework, to determine whether there had been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Company has adopted a new Risk Management Policy with effect from 6 October 2016.</p> | | | | | | |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | Yes | <p>The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management and Internal Compliance and Control policy, which is disclosed on the Company's website.</p> | | | | | | |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | Yes | <p>The Company has material exposure to the following economic, environmental and/or social sustainability risks:</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>How risk is managed/intended to be managed</th> </tr> </thead> <tbody> <tr> <td>Health and safety management</td> <td>The Company is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities where we operate. The Company has a comprehensive health and safety policy manual.</td> </tr> <tr> <td>Environmental</td> <td>The Company has an active program of monitoring and reporting within the business to identify and mitigate environmental risks.</td> </tr> </tbody> </table> | Risk | How risk is managed/intended to be managed | Health and safety management | The Company is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities where we operate. The Company has a comprehensive health and safety policy manual. | Environmental | The Company has an active program of monitoring and reporting within the business to identify and mitigate environmental risks. |
| Risk | How risk is managed/intended to be managed | | | | | | | | |
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| Environmental | The Company has an active program of monitoring and reporting within the business to identify and mitigate environmental risks. | | | | | | | | |

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| | | | <table border="1"> <tr> <td>Future funding</td> <td>Funding requirements are reviewed on a regular basis through internal cash flow models and scenario analysis. Alternative funding options are identified and reviewed on a regular basis.</td> </tr> <tr> <td>Delays to schedule</td> <td>The Company regularly reviews and updates work programmes and plans to ensure critical path items are identified and appropriate contingencies are in place to manage schedule risk.</td> </tr> </table> <p>The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.</p> | Future funding | Funding requirements are reviewed on a regular basis through internal cash flow models and scenario analysis. Alternative funding options are identified and reviewed on a regular basis. | Delays to schedule | The Company regularly reviews and updates work programmes and plans to ensure critical path items are identified and appropriate contingencies are in place to manage schedule risk. |
| Future funding | Funding requirements are reviewed on a regular basis through internal cash flow models and scenario analysis. Alternative funding options are identified and reviewed on a regular basis. | | | | | | |
| Delays to schedule | The Company regularly reviews and updates work programmes and plans to ensure critical path items are identified and appropriate contingencies are in place to manage schedule risk. | | | | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <p>OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for</p> | No | <p>During the Reporting Period, the Board had not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believed that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performed the role of Remuneration Committee.</p> <p>Although the Board had not established a separate Remuneration Committee, it had adopted a Remuneration Committee Charter, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Remuneration Committee. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter.</p> <p>The Remuneration Committee Charter is disclosed on the Company's website.</p> <p>Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.</p> <p>Under the New Policies and Practices, the Company has reconstituted a separate Remuneration and Nomination Committee with effect from 6 September 2016, whose structure and membership complies with Recommendation 8.1. The Remuneration and Nomination Committee now comprises three independent</p> | | | | |

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| | directors and senior executives and ensuring that such remuneration is appropriate | | Non-Executive Directors, Messrs Kiernan, Adamson and Scudamore. Mr Kiernan is the independent Chair of the Remuneration and Nomination Committee. |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | Yes | <p>Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences at page 33 of the Company's 2016 Annual Report.</p> <p>The Company has adopted policies regarding the remuneration of executives and non-executives as set out in the Remuneration Committee Charter, a copy of which is available on the Company's website. For the Reporting Period, the Company had not adopted any policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.</p> <p>Under the New Policies and Practices, to recognise the recent changes in the Company's circumstances, the Directors recently adopted a new Remuneration Committee Charter and Remuneration Policy and re-constituted the Remuneration and Nomination Committee with Non-Executive Directors, The committee has been tasked with, amongst other things, formulating a new remuneration framework for senior executives and Directors which is appropriate for the Company's current activities and aligned with best practise in the market place. It is expected that a new remuneration framework will be adopted in the current year which will result in significant improvements to the Company's approach towards executive and non-executive remuneration which will take effect in the course of the financial year for 2017. The objectives of the new remuneration framework will be to ensure that remuneration is linked with performance which is competitive and appropriate for the results delivered. Refer to page 34 of the of the Company's 2016 Annual Report for further information on the objectives of the new remuneration framework.</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or</p> | No | The Company adopted an employee share option plan (ESOP) during the Reporting Period. Shareholder's approved the plan in general meeting on 18 April 2016. A summary of the ESOP was included in the notice of meeting dated 18 February 2016. The ESOP prohibits participants entering into any arrangement for |

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| | <p>otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | | <p>the purposes of hedging their economic exposure to an option that has been granted to them.</p> <p>The Securities Trading Policy that was in place during the Reporting Period did not prohibit participants in any equity based remuneration scheme (Scheme) entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Scheme.</p> <p>Under the New Policies and Procedures, the Company adopted a new Securities Trading Policy with effect from 6 October 2016 which prohibits participants in any Scheme entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in unvested entitlements.</p> |