



PILGANGOORA OPERATIONAL UPDATE

SUSTAINED HIGHER RECOVERIES, STRONGER PRODUCTION AND SALES DURING SEPTEMBER 2020 QUARTER SEES UNIT COSTS CONTINUE TO TREND DOWN

Australian spodumene and tantalum concentrate producer, Pilbara Minerals Limited (ASX: PLS) (**Pilbara Minerals** or **the Company**), is pleased to provide the following operational update for the September 2020 Quarter for its Pilgangoora Lithium-Tantalum Project (**Pilgangoora Project**).

While the Company continued campaign mining and processing during the September quarter in line with its moderated production strategy, several improvements were recorded across the operation, notably:

- an increase in plant run-time and utilisation, which represented approximately 70-75% utilisation across the quarter (compared with 40% in the June quarter);
- higher plant utilisation and continued high product recovery contributed to a lower average **unit cash operating cost¹** of **US\$355/dmt (CIF China) for the September quarter**;
- increased production, with a total of 62,404 dry metric tonnes (dmt) of spodumene concentrate produced for the quarter (compared with 34,484 dmt for the June quarter); and
- an increase in sales, with spodumene concentrate shipments totalling 43,630 dmt for the quarter, in line with guidance provided in the June Quarterly Report (compared with 29,312 dmt for the June quarter).

These trends reinforce the strong progress that is being made across all key operational performance criteria at Pilgangoora, which positions Pilbara Minerals well to take advantage of a turnaround in the lithium market, when that occurs.

Despite the improvement in sales volumes seen during the September Quarter, spodumene concentrate pricing remains weak, which reflects the sustained lower pricing and demand being experienced across the entire lithium raw materials and chemicals supply chain.

Production levels in the September quarter exceeded quarterly sales in preparation for delivering into contracted customer sales from early October 2020. Pilbara Minerals will provide further details on its operational performance for the September quarter and sales guidance for the December quarter in its September Quarterly Report, which is due for release in late October.

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

"The tangible progress that has been achieved on a number of fronts at Pilgangoora during the quarter is a credit to the continued hard work and dedication of our team and contractor business partners. We are very pleased to see continued improvement in important key metrics like plant utilisation and run-time and sustained product



recoveries, which collectively translated into a continued downward trend in unit operating costs towards our long-term targeted level of US\$320 – 350/dmt (CIF China).

“Pilgangoora is a Tier-1, long-life asset that is ideally placed to capitalise on the turnaround in the lithium market. While we fully expect that turnaround to eventuate in the not too distant future, we are still seeing soft market conditions persist across the entire lithium-ion supply chain.

“The pleasing trends seen in the September quarter, together with the recently completed refinancing, gives us confidence that we can weather the current market conditions and quickly ramp-up production and shipments as demand and prices recover.”

Lower mining costs during the moderated production period will be partly offset by the combination of strong product recoveries and increased plant run-time (through higher product demand), supporting unit cash operating costs trending towards the Company’s targeted unit cost of US\$320-350/dmt (CIF China). The September quarter result of US\$355/dmt (with 70-75% plant utilisation) supports this and provides further evidence of what can be achieved operationally at Pilgangoora as demand conditions improve.

The Company’s Managing Director and CEO, Ken Brinsden, will be presenting at the Diggers & Dealers Mining Forum in Kalgoorlie later today.

1. Cash operating costs include mining, processing, transport, state and private royalties, native title costs, port, shipping/freight and site based general and administration costs and are net of Ta₂O₅ by-product credits. Cash operating costs are calculated on an incurred basis (including accruals) and include inventory movements.

Release authorised by Ken Brinsden, Pilbara Minerals Limited’s Managing Director.

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Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company’s securities.