



**Pilbara  
Minerals**

...Powering a sustainable energy future

ASX / MEDIA ANNOUNCEMENT

TUESDAY 17 NOVEMBER 2020

## **CHAIRMAN'S ADDRESS: 2020 ANNUAL GENERAL MEETING**

Good afternoon, everyone

The 2020 financial year has been a year of tangible progress for Pilbara Minerals.

Thanks to a combination of our strong focus on operational improvement at the Pilgangoora Project and prudent approach to financial management the Company is in a sound position.

Shareholders do not need reminding that the past 15 months has been a challenging period for the lithium sector globally. Prices for spodumene concentrate are around 30 per cent lower than they were this time last year – a situation which has impacted producers across the globe.

We have responded to the situation aggressively and sensibly.

The moderated production strategy implemented last year at times reduced the operation to around 30-40 per cent of its mining and processing capacity, which was designed to align production and shipments to customers' requirements and conserve our working capital. A strategy which has proven to be the right one.

We also made significant progress fine-tuning the processing plant and completing several projects that have delivered material improvements in lithia recoveries resulting in lowered operating costs when the processing plant is in operation.

The lower unit cash operating costs achieved during the September quarter tells us what the operation can achieve once returned to full production levels.

I would like to clearly mention the work of our team in delivering these results, which were achieved despite the constraints of a moderated production environment and restrictions relating to the COVID-19 pandemic. When talking of the "team" this includes the technical and planning people both in Perth and on site and the operational people at the coal (or I should say, lithium face).

Despite the 49 per cent improvement in sales volumes in the September quarter, pricing remains under pressure across the entire lithium raw materials and chemicals supply chain.

And while we do not want to get ahead of ourselves, this recent uptick in sales volumes, coupled with feedback from our own customer base, demonstrates that end-users are back in buying mode and it may not be too long before we see an improvement in pricing.

My view is supported by the stimulus packages being deployed in the UK and Europe which are increasing EV adoption and growth in the sector, and as a result, these jurisdictions are now the world's largest EV market, recently overtaking China.



Our ability to capitalise on the forecast market turnaround has been significantly enhanced by our capability to maintain a healthy balance sheet, both as a result of the \$111.5 million equity raising completed last year and the more recent US\$110 million refinancing.

The new finance facility with BNP Paribas and Clean Energy Finance Corporation, that has replaced the previous US\$110 million Nordic Bond, has several significant advantages over the previous arrangement. These include a competitive average all-in interest rate and flexibility in principal repayment schedule.

As I wrote in the Annual Report, this is the first time a lithium raw materials company of our size has been able to attract conventional, syndicated project finance at such a competitive cost – reflecting the quality and scale of our Pilgangoora asset, and the reputation we have established.

These key attributes have also allowed us to continue to attract leading global partners to our business, as evidenced by the \$55 million investment made during the year by CATL, China's largest battery manufacturer for electric vehicles. As well as our strengthening relationship with Great Wall Motor Company and new relationship with Yibin Tianyi through Stage 1 offtake agreements.

As the focus of the lithium market increasingly shifts towards Europe for the reasons I mentioned earlier, our relationships with key chemical suppliers ex-China, such as POSCO, should see us fare well as there is a global shift to e-mobility and mass energy storage.

During the year, we continued to review our sustainability performance and identify areas in which we can improve. While some of our efforts were disrupted by the COVID-19 pandemic, we were able to make tangible progress in areas including governance, climate change, mental health and safety culture, all of which are consistent with our obligations under our licence to operate.

In recognition of the important role we play in supporting global efforts to manage climate change, as well as the risks and opportunities it poses to our business, work has commenced on several initiatives across the organisation. One element of this work is the development of a pathway to net zero emissions (Scope 1 and 2) at our operations by 2050.

This pathway forms an important part of our commitment to reducing our carbon footprint and supporting our contribution to a sustainable energy future.

In conclusion, I would like to thank our Managing Director Ken Brinsden and all employees and contractors across the business for their contributions during the year. Without running the risk of omitting people, I'd like to also mention the contributions of Brian Lynn our CFO, Alex Eastwood our inhouse Counsel and Company Secretary, Dale Henderson our Chief Operating Officer and Simon Coyle our Operations and Registered Mine Manager. Also, my fellow board members and all our shareholders for their ongoing support.

We are all looking forward to the year ahead with confidence.

**ANTHONY KIERNAN**  
**Chairman**



*Release authorised by Anthony Kiernan, Chairman of Pilbara Minerals Limited.*

## CONTACTS

### Investors / shareholders

Ken Brinsden  
Managing Director and CEO  
Ph. +61 (0)8 6266 6266

### Media

Nicholas Read  
Read Corporate  
Ph. +61 (0)8 9388 1474.

## MORE INFORMATION

### ABOUT PILBARA MINERALS

Pilbara Minerals is an Australian lithium-tantalum producer and a top-300 company on the Australian Securities Exchange (ASX: PLS). Through the development of its 100% owned, Pilgangoora Lithium-Tantalum Project (Pilgangoora Project), the Company is positioned to become a major player in the world's rapidly growing lithium supply chain, underpinned by the electric vehicle and energy storage markets.

Located in Western Australia's resource rich Pilbara region, the Pilgangoora Project hosts one of the world's largest hard rock lithium-tantalum deposits and is recognised as one of the most important new sources of lithium raw materials globally. The Pilgangoora Project's significant scale and outstanding quality has not only resulted in a remarkable development timeline, with Pilbara Minerals having progressed it from first drill hole to production in under four years, but also attracted a consortium of high quality global partners including Ganfeng Lithium, General Lithium, Great Wall Motor Company, POSCO, CATL and Yibin Tianyi.

Now that production is underway, Pilbara Minerals is focused on an expansion and diversification strategy to become one of the biggest and lowest cost lithium producers, and a fully integrated lithium raw materials and chemicals supplier in the years to come.