Pilbara Minerals

Annual Report 2023

ACN: 112 425 788
ASX: PLS
Incorporating Appendix 4E

Powering a sustainable energy future

Pilbara Minerals


Pilbara
Minerals

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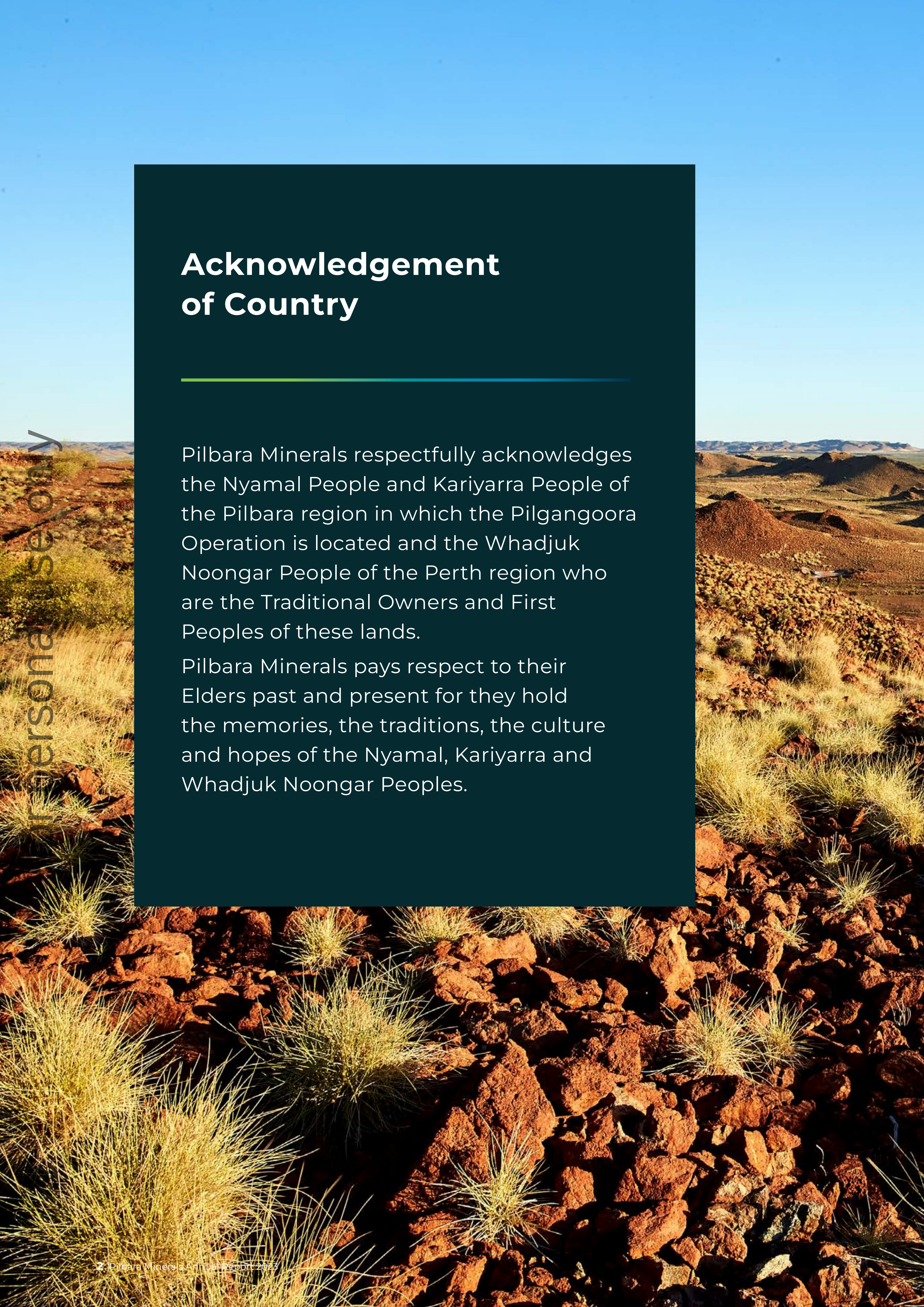
Annual Report 2023

Contents



Acknowledgement of Country

Pilbara Minerals respectfully acknowledges the Nyamal People and Kariyarra People of the Pilbara region in which the Pilgangoora Operation is located and the Whadjuk Noongar People of the Perth region who are the Traditional Owners and First Peoples of these lands.

Pilbara Minerals pays respect to their Elders past and present for they hold the memories, the traditions, the culture and hopes of the Nyamal, Kariyarra and Whadjuk Noongar Peoples.

2023 Financial Year at a Glance

FINANCIALS

Cash
464% ▲
$3.3B

EBITDA
307% ▲
$3.3B

Net Profit After Tax
326% ▲
$2.4B

OPERATIONS

Production
64% ▲
620,147 dmt

Shipments
68% ▲
607,501 dmt

Average Realised Price
87% ▲
US $4,447 per dmt
(~SC5.3)

SUSTAINABILITY

78%
Workforce growth

2.9
Safety interactions per 1000 hours (>2.0 target)

4
New multi-year community partnerships

292
Employees completed cultural awareness training

4.7
Total recordable injury frequency rate

6MW
Solar farm commissioned

The Pilbara Minerals Story

Pilbara Minerals is an ASX50 listed lithium company, with 100% ownership of the Pilgangoora Operation – the largest independent hard-rock lithium operation in the world, with an estimated mine life of approximately 34 years.

In terms of global significance, the Pilgangoora Operation is a significant resource and an important supplier into the global lithium supply chain (Figure 1).

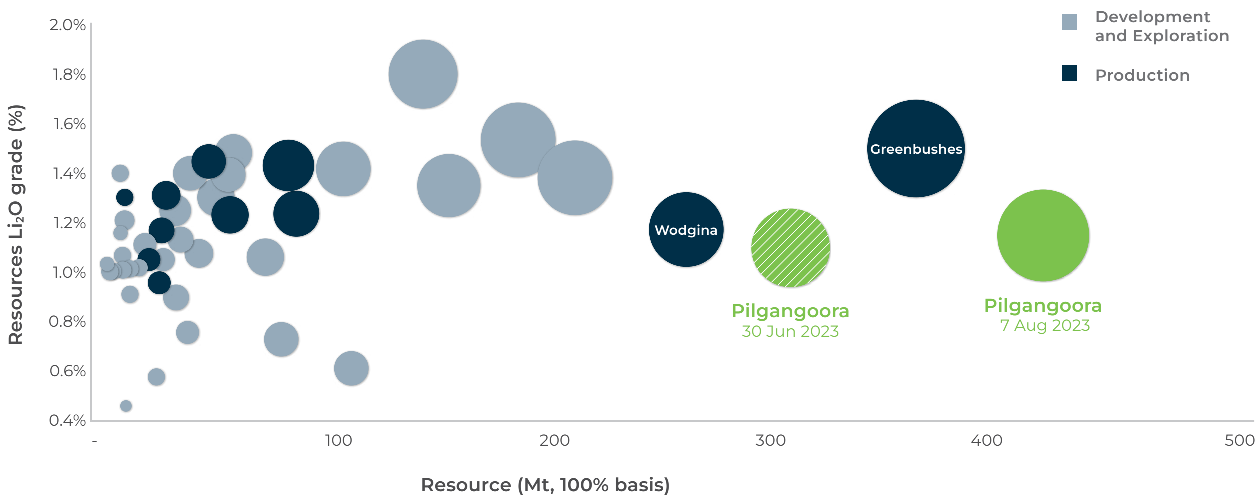
The Pilgangoora Operation is located 120 km south of Port Hedland in Western Australia's resource-rich Pilbara region on Nyamal and Kariyarra traditional lands. The Pilgangoora Operation has access to first-class infrastructure, including road and port, and is underpinned by strong environmental and safety regulations and social standards.

The operation has two processing plants, the Pilgan Plant, which produces both spodumene and tantalite concentrates, and the Ngungaju Plant, which produces spodumene concentrate.

Pilbara Minerals' corporate office is located in West Perth, on Whadjuk Noongar traditional land.

Figure 1: Globally Significant Lithium Resource

Global hard-rock lithium landscape[1] (bubble size represents Resource LCE)



Source: Company filings as at 31 July 2023. Refer Appendix – Supporting Data. Note: 'Production' assets defined as those currently in commercial production. 'Development' assets defined as those with a FID declared. 'Exploration; assets defined as pre-FID. All on a 100% basis. Excludes Manono (AVZ).

214 Mt
Ore Reserve

$3.3B
Cash balance

~34 years
Mine life

+70%
Increase in production underway[1]

580,000 tpa
Nameplate processing capacity across two processing plants

Appendix 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET	2023	2022
Revenue from ordinary activities	Increased 242% to $4,064 million	$1,190 million
Profit from ordinary activities after tax attributable to members	Increased 326% to $2,391 million	$562 million
Net profit for the period attributable to members	Increased 326% to $2,391 million	$562 million

DIVIDENDS	AMOUNT	FRANKED AMOUNT PER SECURITY
Interim dividend (per share)	11 cents	11 cents
Final dividend (per share)	14 cents	14 cents

Record date of final dividend	6 September 2023	
Payment date of final dividend	27 September 2023	

	2023	2022
Net tangible asset per security	$1.13	$0.43

All the disclosure requirements pursuant to ASX Listing Rule 4.3A are contained within the Pilbara Minerals Annual Report 2023.

1. Production nameplate capacity uplift to ~ 1 Mtpa subject to completion and commissioning of the P680 and P1000 Projects. Actual production is expected to vary in any year due to ore grade, concentrate grade, mine plan and other factors – refer to P1000 Project ASX release 29 March 2023.

Our Foundations

Founded in 2013 by a group of geologists who had studied at university together, Pilbara Minerals' history is relatively new and short in the context of Australian mining, yet it is regarded as a true pioneer of the Australian lithium sector.

An Enduring Legacy

Pilbara Minerals is a great Australian success story. From the first drill hole to production in less than four years, the Pilgangoora Operation has moved through rapid development to become the largest independent hard-rock lithium producer. The Company endured a downturn in the lithium market and is now well poised for the remarkably strong demand for battery minerals being experienced today. Through all of this, the Company has remained independent and is now a market leader in the global lithium industry.

The Pilbara Minerals story is grounded in grit, resilience and a "can-do" attitude that remains at the core of the business today.

Pilbara Minerals is a young company with an amazing story of discovery, survival and now success at the forefront of the Australian and global battery materials market.

Pilbara Minerals is proud of what it has achieved and attributes this to how it's pulled together, digging deep when it mattered, and remaining loyal to the passion and the vision of its founders.

Who We Are

A vital raw material contributor in the global lithium supply chain, Pilbara Minerals is pursuing a growth and diversification strategy to strengthen its role as a leader in the global battery materials supply chain. This strategy is already well underway, with the Company's joint ventures with POSCO and Calix, both of which are positioning Pilbara Minerals as an emerging player in downstream chemical processing and value-adding mid-stream products.

Market-leading innovation continues to be core to the Company's ongoing business activity. The Mid-stream Demonstration Plant Project aims to produce a higher value lithium enriched product that reduces waste in the saleable product and, if produced with renewable energy, may reduce calcination carbon intensity. The project has the potential to be a groundbreaking innovation for Pilbara Minerals and the wider industry.

Our Purpose

Making the world a better place by enabling the global energy transformation.

Through conversations with employees, the Pilbara Purpose was born. It is the Company's foundation and what drives and inspires the team in their work every day.

This purpose is underpinned by "What We Stand For', expressed as six commitments which form the heart of the Company's culture and guide how the team works together to achieve the Pilbara Purpose.

What We Stand For:

Great People
We are a proud team of talented and grounded people who value diversity and have each other's back.

Think, Do, Achieve
We are innovative and resourceful when solving problems, we go the extra mile to get the job done.

Safety Matters
We take responsibility for maintaining a safe and healthy workplace so that everyone comes to work and goes home safe and well every day.

Valuing Our Partners
We know great things happen when we engage our broader team of contracting partners, customers and community.

Quality Products
We produce and deliver a globally competitive, high quality product to our customers.

Making a Difference in the World
We are passionate about our contribution and strive to make a positive impact in our work and the communities we share.

The Pilbara Growth Journey

The Pilbara Minerals growth journey has been punctuated with the achievement of major milestones along the way.

2017

- Initial US$100M Nordic Bond, cornerstone investor CEFC
- FID for Pilgangoora Operation

2018

- Strategic relationship formed with POSCO
- First shipment

2019

- Commercial production at Pilgangoora declared

2020

- Re-finance - new senior debt facility at lower cost (CEFC and BNP Paribas)
- Altura acquisition announced, funded by $240M equity raising underwritten by Australian Super and RCF

2021

- Altura acquisition completed
- First Battery Material Exchange (BMX) Auction
- Commissioning and first concentrate from Ngungaju Plant (previously Altura plant)

2022

- POSCO Pilbara JV finalised
- Mid-stream Project with Calix JV finalised
- $20M Aus Govt grant awarded for Mid-stream Project
- P680 FID (+100 ktpa)
- Introduced Capital Management Framework

2023

- $250M Aus Govt and new US$113M financing facility secured
- Inaugural interim dividend
- POSCO Pilbara JV debt financing secured
- P1000 FID (+320 ktpa)
- Mid-stream Demonstration Plant FID
- Ore Reserve update increased mine life to ~34 years

Pilbara Minerals is an ASX50 listed company, with an 8% share of the global mined lithium supply (minerals and brine) and 13% of the global hard-rock lithium supply.[1]

Pilbara Minerals will see significant growth over the coming years with production planned to increase to 1 Mtpa at the Pilgangoora Operation in 2025 through the delivery of the P1000 Expansion Project.

A future focused company, Pilbara Minerals will continue to look ahead and work towards powering a sustainable energy future, enabling the global energy transformation and making the world a better place.

Growth Pathway to 1 Million Tonnes

P680 Expansion Project

The P680 Expansion Project (P680 Project) is expected to deliver an additional 100,000 tpa of spodumene concentrate production capacity from the Pilgan Plant and a 5 Mtpa integrated crushing and ore sorting facility to replace the existing contracted crushing facility at the Pilgan Plant. This crushing facility will support future expansions that will ultimately deliver up to 1 Mtpa of spodumene concentrate capacity across the Pilgangoora Operation.

P1000 Expansion Project

The P1000 Expansion Project (P1000 Project) leverages the Company's earlier investment in processing infrastructure delivered as part of the P680 Project. The P1000 Project involves a series of upgrades to the Pilgan Plant's concentrator and a range of supporting infrastructure. The completion of this expansion will take total production capacity to up to 1 Mtpa of spodumene concentrate, making the Pilgangoora Operation the second largest producing hard-rock lithium mine in the world (Figure 2).

Downstream Integration

Downstream Lithium Chemical Facility

In joint venture (JV), Pilbara Minerals and POSCO are building a 43,000 tpa Lithium Hydroxide Chemical Facility located in Gwangyang, South Korea.

The JV places Pilbara Minerals and POSCO in a strong position to participate in the chemical conversion industry as one of the few near-term lithium chemicals producers outside of China, with long term lithium raw materials supply from the Pilgangoora Operation.

Mid-stream Demonstration Project

In JV, Pilbara Minerals and Calix Limited (Calix) are developing a demonstration plant to validate Calix's electric calcination technology for spodumene concentrate.

The Project aims to demonstrate the benefits of producing a mid-stream lithium enriched product using Calix's patented electric kiln technology which has the potential to reduce hard-rock lithium processing carbon emission intensity if powered by renewable energy, when compared to conventional methods such as gas or coal fired calcination kilns.

Figure 2: Global Spodumene Production Capacity

Spodumene production capacity vs peers[2]

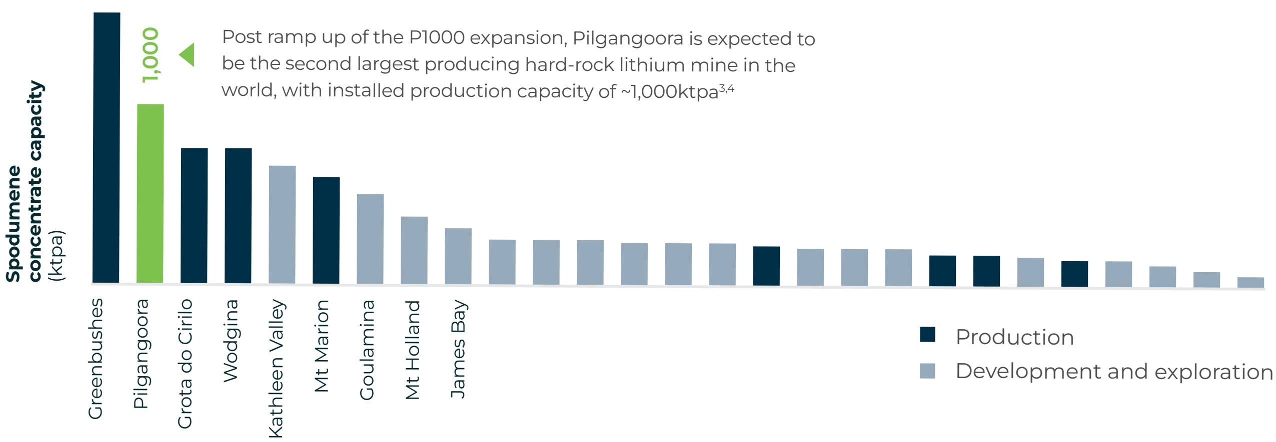


Figure 2 Source: Company filings as at 12 June 2023 - refer to Appendix - Supporting Data

1. Source: Benchmark Mineral Intelligence. June Quarter 2023 data. Market share is based on estimated CY2023 global mined lithium output (Mineral & Brine, LCE and Mineral, LCE respectively), for operational and highly probable projects (in construction). Based on 680,000 tpa run-rate for Pilgangoora - subject to completion and commissioning of the P680 project.
2. Excludes projects with no formal study released, or where no definitive spodumene production capacity figure is quoted in a study. Excludes Manono (AVZ).
3. Pilgangoora - based on combined 6.3 Mtpa throughput operations consisting of 1.3 Mtpa Ngungaju Plant and the proposed Pilgan 5 Mtpa expanded process plant for the P1000 expansion project. Increase in nameplate production capacity uplift to ~ 1 Mtpa subject to completion and commissioning of the P680 and P1000 Projects. Actual production is expected to vary in any year due to ore grade, concentrate grade, mine plan and other factors – Refer to ASX Announcement 29 March 2023.
4. Expected increase in production capacity from the P680 and P1000 expansions is underpinned by the Company's existing Ore Reserves that have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition) and reported and released to the ASX on 24 August 2023, as updated in this FY23 Annual Report. The relative proportions of Proved Ore Reserves and Probable Ore Reserves are 9% Proved Ore Reserves and 91% Probable Ore Reserves. The Company confirms it is not aware of any new information or data that materially affects the information included in the reported Ore Reserves and that all material assumptions and technical parameters underpinning the Ore Reserves estimates continue to apply and have not materially changed.

Message from the Chair

I am pleased to present Pilbara Minerals' 2023 Annual and Sustainability Report. It's been a remarkable year with the business having transformed significantly over the last 12 months, as we continued to deliver on our strategy. On behalf of the Board, I am extremely proud of our performance.

Some highlights from the past year include:

- Exceptional operational performance achieving quarter on quarter increases in production and shipping volumes.
- Strong share price performance, finishing the year as the top growth stock in the ASX50 with 114% growth over the year.
- Maintaining an exceptionally strong balance sheet, with $3.3B cash in the bank at year end.
- An impressive total shareholder return of 127%, reflecting growth in share price and the fully franked inaugural interim dividend.
- Final investment decisions to grow our base asset through the P680 and P1000 Projects.

In addition to the above and subsequent to the financial year's end, the Board approved construction of the Mid-stream Demonstration Plant for our JV with Calix and also saw the Company announce a substantial increase in its mineral resource – an exceptional start to the Financial Year (FY24).

The critical minerals industry continued to grow in leaps and bounds this year as the world's economy pursues its net zero ambition. Against this backdrop, the Board's prudent decisions, focus on capital management and strong faith in the Company during the market downturn has paid off in substantial measure.

As always, I am extremely grateful for our strong relationships with our customers and project partners including POSCO with whom we are constructing a lithium chemical hydroxide facility in South Korea.

We have the necessary resources in place to deliver strong and consistent returns - human, financial and a globally significant lithium resource that underpins a ~34 year mine life.

Importantly, this facility will be one of only a few new lithium conversion facilities outside of China.

The Board and I are extremely optimistic for the year ahead. FY24 will see the P680 Project come online, construction of the P1000 Project and Mid-stream Demonstration Plant, and expansion of our business into lithium chemical production with POSCO. Collectively, these outcomes will deliver on our grow and diversify strategy to realise our ambition of capturing more value down the battery materials supply chain.

We have the necessary resources in place to deliver strong and consistent returns - human, financial and a globally significant lithium resource that underpins a ~34 year mine life. With our proven operating asset and significant growth program, we will build upon our strong balance sheet which will support us as we look towards the future.

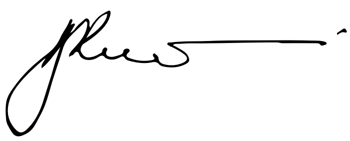
As we continue to deliver on this strategy, the Board will maintain a laser-like focus on safety and culture to keep our people safe and make our company a great place to work. We will continue to pursue improvements in our sustainability performance and make decisions in the best interest of our shareholders and company.

I would like to acknowledge Dale Henderson's first year as Managing Director. On behalf of the Board, his leadership and seamless transition into this role has been exceptional and he is well supported by a strong and effective management team.

I would like to thank my fellow Board members for their continued commitment and wise counsel over the year. As well as the management and team for their tireless efforts to deliver another exceptional year.

As we continue to deliver on this strategy, the Board will maintain a laser-like focus on safety and culture to keep our people safe and make our company a great place to work.

Lastly, thank you to our shareholders and partners for the continued support.



Anthony 'Tony' Kiernan AM

CHAIR

Message from the Managing Director and CEO

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It has been an incredible year for Pilbara Minerals, marked by strong operational and sales performance. It has also been a year where we have taken big steps growing our base asset and moving our business further down the battery materials supply chain.

The last twelve months have been busy as we reset our corporate strategy, bolstered our executive team, and grew our team significantly to support the operation and exciting projects we have underway.

At the heart of our strategy is our purpose. To stay true to this, and to ensure our operations are supportive of the global challenges we are facing, we continued to pursue ways to make our operations and products more sustainable.

We finished the year with an incredibly strong set of outcomes, with $3.3B cash in the bank and our operation continuing to shoot the lights out – meeting both production and cost guidance, increasing sales volumes and performing well in our first year of owner-operator mining.

Our pipeline of projects continued full steam ahead with the P680 expansion and our chemicals facility in joint venture with POSCO well into construction, as well as pressing forward with the work program for the Mid-stream Demonstration Plant.

The final investment decision to proceed with the P1000 Project was a major milestone. Once operational, it will unlock a significant volume of product and make us one of only a few operating assets globally, with near-term unallocated product available for future offtake or other strategic opportunities.

Considering this, we launched a partnering process to explore opportunities to extract the significant value that can be obtained beyond a raw material by integrating this product with a joint interest in a downstream chemicals facility.

Our Great People got us to where we are today, make us different to how other companies work and will take us into the future.

All of this and we are only just getting started. The next 12 months is set to be another transformational period as we continue full throttle with our strategy to become a leader in the production of sustainable battery materials products.

The work program ahead will see the outcome of the partnering process, construction begin on the Mid-stream Demonstration Plant, opening up additional product through the expansion of our base asset and realisation of first product from our chemicals facility with POSCO.

From a people perspective, we continue our strong focus on safety, wellbeing and culture. More people, more construction and a bigger operation does increase the challenges in this area.

We will continue to honour the journey of our founders, through our passion, grit and can-do attitude. Our Great People got us to where we are today, make us different to how other companies work and will take us into the future.

I am proud to lead such a talented group of Great People and would like to take this opportunity to acknowledge every one of them. Well done on another outstanding year. We thank all our stakeholders, project partners and shareholders, particularly, Traditional Owners the Nyamal and Kariyarra Peoples for their continued close and collaborative engagement on their land. We are particularly grateful for their active engagement in opportunities to teach us more about country and culture.

Lastly, thank you to our senior leadership team and Board. Their guidance, tireless commitment and dedication to our business has been instrumental in the Company's success to date. Working together, the team continues to make giant strides in the pursuit of our mission of enabling the clean energy transformation.

Dale Henderson
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Executive Leadership Team

Over the past year, a number of senior leadership changes were undertaken to facilitate long-tenure transitions and expand the Executive Leadership Team to support the delivery of the Company's growth strategy.

A number of executive appointments were undertaken in FY23. The key attributes pursued during these recruitment processes were to ensure strong cultural fit, energy for the Company's mission and demonstrated delivery experience within their domain of expertise. The Company intentionally sourced from a broad range of industries to access the best talent and deepen the diversity of experience that ultimately formed the new Executive Leadership Team. The Team will carry forward the delivery and future shaping of Pilbara Minerals' strategy.

The following changes were made to the Executive Leadership Team in FY23:

- Ken Brinsden formally stepped down as Managing Director in July 2022, with Dale Henderson, formerly Chief Operating Officer, appointed to the role of Chief Executive Officer and Managing Director.
- Brian Lynn stepped down as Chief Financial Officer with Luke Bortoli appointed as Chief Financial Officer.
- Vince De Carolis was appointed as Chief Operating Officer.
- Sandra McInnes was appointed as Chief Sustainability Officer.
- John Stanning was appointed as Chief Development Officer.
- Paul Laybourne was appointed as Project Director.

Dale Henderson

MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Dale is an experienced mining executive with a strong track record of delivering positive financial outcomes for resource businesses and complex operations. Since joining Pilbara Minerals in 2017 as Chief Operating Officer, Dale has played an instrumental role in leading the Company from project developer to become an ASX50 company, now operating the largest independent hard-rock lithium operation in the world, the Pilgangoora Operation in Western Australia. Dale was appointed as Managing Director and CEO in July 2022.

Vince De Carolis

CHIEF OPERATING OFFICER

Vince is a mining and operations executive with extensive experience across multiple commodities. Vince has held senior leadership roles in the resources sector with some of the largest mining companies in the world. Vince's operational and leadership experience spans mining, processing, production planning and logistics. He has a proven track record of leading global technology, cultural, and health and safety programs to develop high performing teams and improve culture, safety and productivity, as well as supporting and growing female leaders in the sector.

Luke Bortoli

CHIEF FINANCIAL OFFICER

Luke is a globally experienced finance executive with a passion for growth, technology and new industries. He has worked for some of Australia's fastest growing companies including Afterpay, where as CFO he oversaw Afterpay's expansion from a single region start-up to one of the world's fastest growing multi-national platforms. Prior to that, he held senior leadership roles with Aristocrat Leisure during which time it scaled to become one of the largest gaming companies globally and Chainlink one of the world's most significant blockchain projects.

Sandra McInnes

CHIEF SUSTAINABILITY OFFICER

Sandra is a corporate affairs and sustainability executive with an accomplished career in the resources sector. Sandra has led and advised on corporate strategy and stakeholder relationship management to maintain company reputation and driven improvement in sustainability and social performance. She has deep leadership experience across all facets of people and culture, with a focus on building teams and people capability, and creating a more inclusive work environment. Prior, to joining Pilbara Minerals, Sandra was Vice President of Corporate Affairs at Woodside.

John Stanning

CHIEF DEVELOPMENT OFFICER

John is an experienced corporate development and finance executive in the critical minerals and investment banking sectors. He has deep lithium sector relationships and a proven track record of assisting battery materials companies with corporate strategy including executing growth, investment and funding plans. As an investment banker, John advised on 15 transactions in the lithium sector. Prior to joining Pilbara Minerals, John co-headed Macquarie Capital Perth and advised Pilbara Minerals on the successful acquisition of Altura Mining and associated equity raising.

Alex Eastwood

CHIEF COMMERCIAL AND LEGAL OFFICER/COMPANY SECRETARY

Alex is a senior resources executive with a background in law, mining and corporate finance. He has held partnerships with international law firms and senior positions including as General Counsel and Company Secretary for ASX listed companies in the mining and mining services sectors. Alex joined Pilbara Minerals in 2016 at the beginning of its development and has been instrumental in advising the Company on several corporate and commercial transactions, including offtake and funding arrangements and the POSCO Pilbara Minerals' JV.

Paul Laybourne

PROJECT DIRECTOR

Paul is an experienced project executive with an extensive career in the resources industry, successfully delivering complex studies and projects in both a brownfield and greenfield environment. Paul has a strong track record of success, leading all aspects of project management with a strong focus on safety, budget, time and cost. Prior to joining Pilbara Minerals, Paul played a lead role in successfully delivering major and mega projects including Roy Hill Iron Ore, which at the time was the world's largest debt-funded resource project.

Our Strategic Focus Areas

Pilbara Minerals is guided by its Operate, Grow, Chemicals & Diversify Strategy, and is focused on ensuring sustainability is embedded throughout the entire business.

This strategy was refreshed at the end of the 2022 calendar year to better reflect the vision for growth and diversification, and the Company's participation in downstream chemicals production. The strategy ensures that the rapid growth of Pilbara Minerals is supported with strong direction, initiatives and foundations.

Through the execution of this strategy, Pilbara Minerals will continue to play a leading role in the world's rapidly growing battery materials supply chain.

Through embedding sustainability within the business and the strength of its Great People to deliver on the Corporate Strategy, Pilbara Minerals is powering a sustainable energy future.

Our ambition is to be a leader in the provision of sustainable battery materials products

OPERATE

Deliver our operating performance commitments

GROW

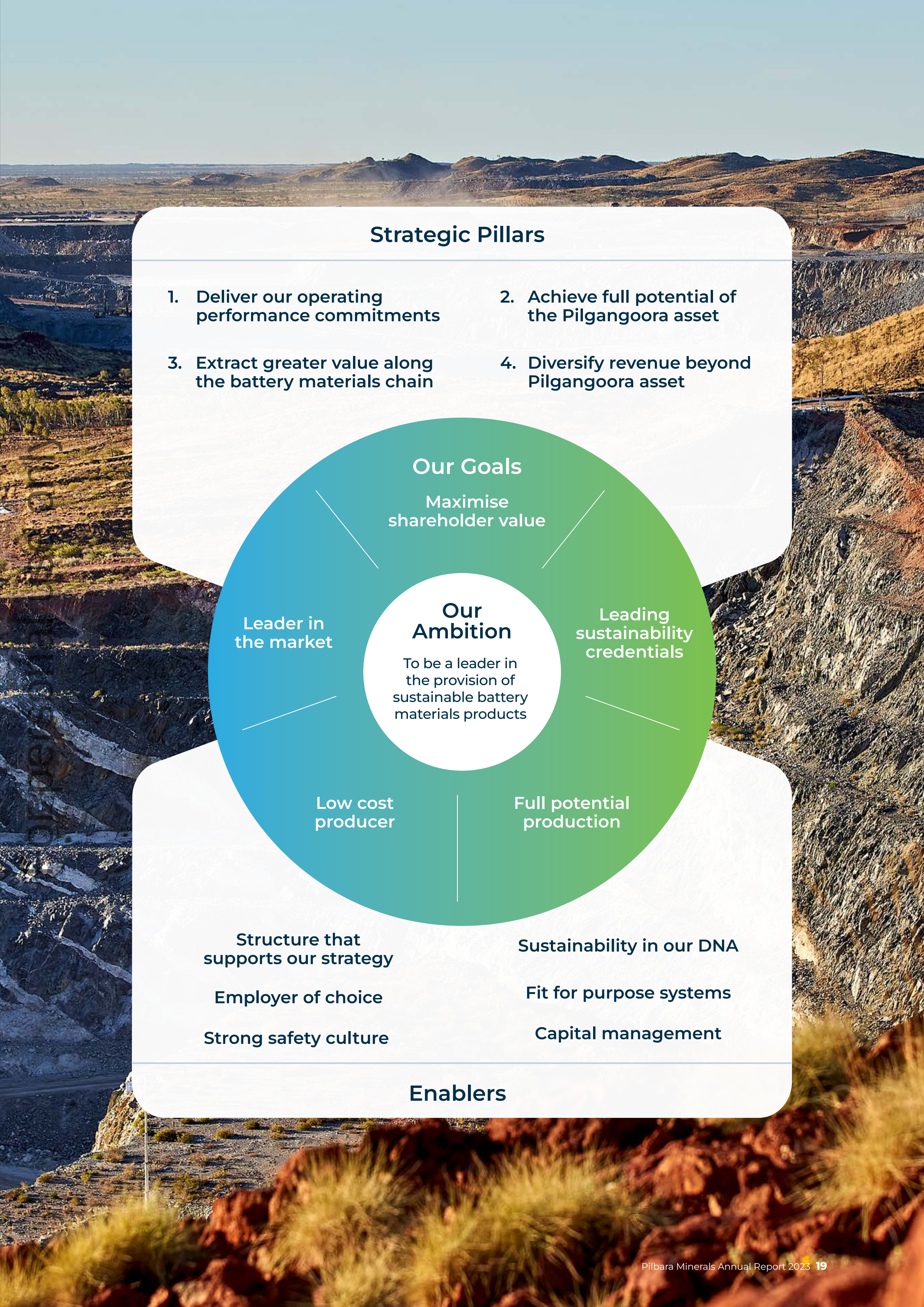
Achieve full potential of the Pilgangoora asset

CHEMICALS

Extract greater value along the battery materials supply chain

DIVERSIFY

Diversify revenue beyond Pilgangoora asset



Strategic Pillars

1. Deliver our operating performance commitments
2. Achieve full potential of the Pilgangoora asset
3. Extract greater value along the battery materials chain
4. Diversify revenue beyond Pilgangoora asset

Our Goals

- Maximise shareholder value
- Leading sustainability credentials
- Full potential production
- Low cost producer
- Leader in the market

Our Ambition

To be a leader in the provision of sustainable battery materials products

- Structure that supports our strategy
- Sustainability in our DNA
- Employer of choice
- Fit for purpose systems
- Strong safety culture
- Capital management

Enablers

Operating and Financial Review

Revenue

$4.1B 242% ▲

EBITDA

$3.3B 307% ▲

Net profit after tax

$2.4B 326% ▲

Cash balance

$3.3B 464% ▲

Financial Review

FY23 saw strong growth in production and sales of spodumene concentrate, as well as strong market prices, which has translated into a significant increase in the Company's revenue, earnings and cash balance.

In FY23, the Company declared its inaugural fully franked dividend payment. A first half FY23 Interim Dividend of 11 cents per share (cps) was announced following release of the First Half 2023 Financial Year (H1FY23) results. At the full year FY23 results announcement a fully franked FY23 Final Dividend of 14 cps was announced. The dividend payments represented approximately 30% of free cash flow[1] in each period, the top end of the target dividend payout ratio range of 20-30% of free cash flow.

During the reporting period, Pilbara Minerals entered the S&P/ASX 50 Index for the first time. Share price growth during FY23 also resulted in Pilbara Minerals being recognised as the top growth stock in the ASX50 in the period. The Company's share price increased by 114% from 30 June 2022 to $4.89 at 30 June 2023. This implied growth in market capitalisation of $6.8B to $14.7B at 30 June 2023.

Key financial results for FY23 relative to FY22 are shown in Table 1.

Cash Balance

Strong revenue led Pilbara Minerals to close FY23 with a cash balance of $3,338.6M (Figure 3), a $2,746.8M increase over the $591.7M balance in FY22. Proceeds from receipts from customers of $4,387.0M less income taxes paid of $209.5M, operating costs[2] of $722.7M and other operating cash flows of $1.9M (cash inflow) resulted in a cash inflow from operating activities of $3,456.7M. Cash flow also includes investing cashflows of $408.0M, a dividend payment of $329.8M, net proceeds from borrowings (a cash inflow) of $83.3M, interest, leases and other financing cash flows of $68.7M (a cash outflow) and a foreign currency gain of $13.2M on US dollar dominated cash reserves resulting in a net increase in cash of $2,746.8M in the reporting period.

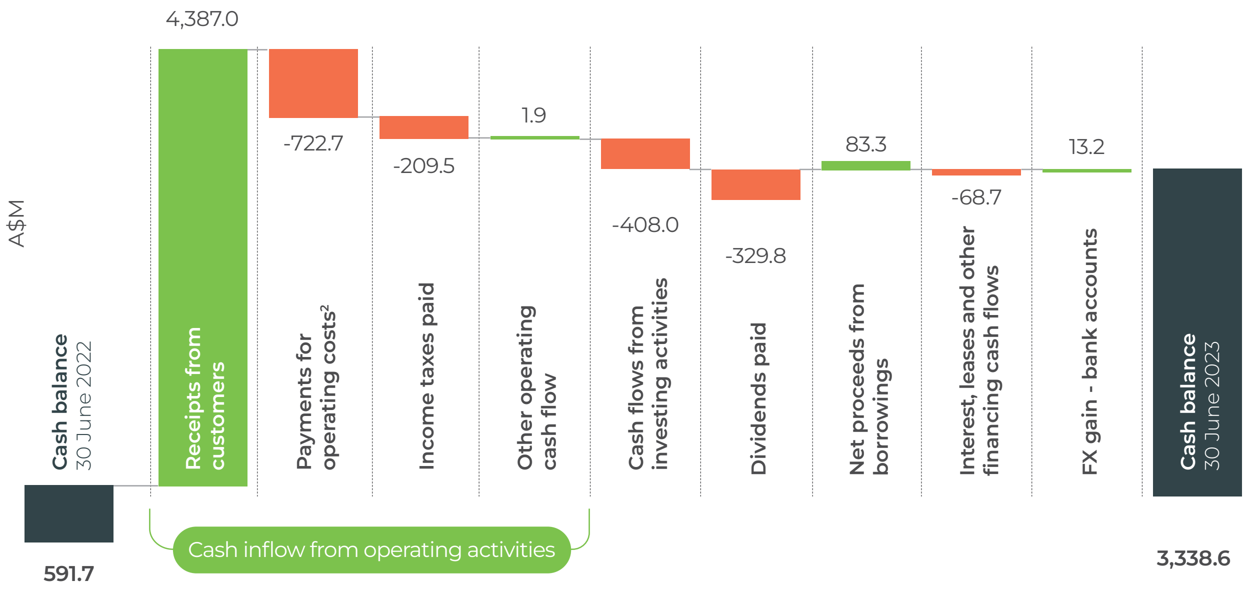
During FY23, the Company paid tax of $209.5M relating to FY22 ($88.9M) and FY23 ($120.9M). The Company has recorded a current tax liability of $773.3M as at 30 June 2023, this is payable during FY24, with an instalment of $70.5M paid during July 2023 and the balance (~$702.8M) due in December 2023 in line with lodgement of the Company's FY23 tax return.

Table 1: Key Financial Results

FINANCIAL KEY PERFORMANCE INDICATORS	FY23 $M	FY22 $M	VARIANCE %[3]
Revenue[4]	4,064.0	1,189.6	241.6%
Gross margin[5,6]	3,392.1	853.5	297.4%
EBITDA	3,317.2	814.5	307.2%
EBITDA margin[3]	82%	68%	13.1%
EBIT	3,211.3	769.1	317.5%
EBIT margin[3]	79%	65%	14.4%
Net profit after tax	2,391.1	561.8	325.6%
Cash	3,338.6	591.7	464.2%
Basic earnings per share (cents)	79.91	18.98	321.0%
Ordinary dividends per share[7] (cents)	25.0	0.0	N/A
Weighted average ordinary shares on issue (million)	2,992.2	2,960.0	1.1%

In order to provide additional insight into the business, non-IFRS measures such as "gross margin" and "EBITDA", are unaudited, non-IFRS measures that, in the opinion of the Company's directors, provide useful information to assess the financial performance of the Company over the reporting period.

Figure 3: Sales Drive Cash Balance Growth



1. Free cash flow is defined as statutory cash flow from operating activities less tax paid/payable less sustaining capital (inclusive of capitalised waste mine development).
2. Operating costs includes mining, processing, inventory movements, transport, state and private royalties, port, shipping/freight, and site based general and administration costs and is net of tantalite by-product credits.
3. Variance % for EBIDTA margin and EBIT margin reflects the change between periods.
4. Revenue is from contracts with customers and includes revenue from the sale of spodumene concentrate and medium grade middlings concentrate.
5. Gross margin represents revenue less operating cost of sales. Operating cost of sales includes mining, processing, inventory movements, transport, state and private royalties, port, shipping/freight, and site based general and administration costs and is net of tantalite by-product credits, but excludes depreciation.
6. FY22 includes net gross profit for Ngungaju Plant for the year during a period of operational readiness and commissioning. Includes revenue from the sales of 45,880 tonnes of spodumene concentrate less operating cost of sales, operational readiness costs and costs associated with plant commissioning.
7. Includes dividends paid and determined.

Capital Management Framework and Dividends

Favourable market conditions and strong operating margins supported the establishment of Pilbara Minerals' Capital Management Framework, including an inaugural dividend policy during the year, announced in December 2022 Quarter.

The Capital Management Framework prioritises allocation of capital first to maintain safe and reliable operations, as well as near term productivity initiatives designed to maximise cash being generated from existing operations. Net operating cash flow generated is then allocated to:

- Sustaining capital to maintain operational performance.
- Further investment into sustainability commitments and initiatives.
- Establishing and maintaining balance sheet strength to protect the Company through all commodity price cycles (inclusive of prudent gearing ratios).
- Paying a sustainable dividend to shareholders, with a target dividend payout ratio of between 20-30% of free cash flow.[1]

Excess cash flow above and beyond these priorities can then be allocated to further investment to improve the Company's operations, investment in organic and inorganic growth and acquisitions opportunities, debt reduction and / or further returns to shareholders.

Pilbara Minerals' current strategy is to maximise the return from its existing operation and potentially diversify its business into other battery related materials and chemicals over time utilising the strong cash flows being generated from its existing operations. In-line with this strategy the Company has, and will continue to, prioritise investment in expanding production at the Pilgangoora Operation. Investment commenced on the P680 and P1000 Projects in the FY23 period and will continue into FY24. In addition to that investment, capital may also be allocated to mergers and acquisitions or one-off capital management initiatives (such as special dividends or buy-backs) when a value maximising opportunity is identified.

Given the strong operating performance and financial results reported during the financial year, Pilbara Minerals declared its inaugural fully franked dividend in FY23. An FY23 Interim Dividend of 11 cps was announced following release of H1FY23 results. A fully franked FY23 Final Dividend of 14 cents per share was announced at the FY23 results release. Total dividend payments to shareholders of 25 cents per share or $750.3M in total for the FY23 period represents a dividend payout ratio of 30% of free cash flow[1] applied to the full-year financial results.

1. Free cash flow is defined as statutory cash flow from operating activities less tax paid/payable less sustaining capital (inclusive of capitalised waste mine development).

Hedging

The Company is exposed to the risk of movements in foreign currency exchange rates as a result of its revenues being received in US dollars (USD), whilst the Company's functional currency is Australian dollars (AUD) and the majority of costs are paid in AUD. The Company has a Risk Management and Hedging Policy which outlines the Company's approach to financial risk management, with the objective to control exposures consistent with the Company's risk tolerances.

During FY23, the Company adopted a Hedging Strategy to provide a framework to manage foreign exchange risk. The underlying principle of the Hedging Strategy is to establish a framework for managing the conversion of USD sales receipts to AUD. Where a high degree of certainty exists over USD sales receipts (sales with a 3 month timeframe), forward foreign exchange contracts are used to manage foreign exchange risk (committed hedging). Where there is less certainty over USD sales receipts (sales within a 4-15 month timeframe), option contracts are used to manage foreign exchange risk (uncommitted hedging).

The volume of hedging and mix of committed versus uncommitted hedging is determined using target return levels, these targets are assessed regularly using forecasting models. Further information regarding these derivative financial instruments including accounting policy and open positions at the reporting period is contained in note 3.3 to the Financial Statements.

Debt Facilities

During the year, Pilbara Minerals executed a new debt facility and refinanced its existing USD secured syndicated debt facility on improved terms. Collectively, these new debt facilities support Pilbara Minerals' strategy to diversify its funding sources for the purpose of expanding its existing operation and potentially diversify its business over the medium to long term.

Both facility agreements were executed during February 2023. The first was a $250M, secured 10-year amortising debt facility with two Australian Government financing agencies. This loan comprises USD equivalent of $125M from Export Finance Australia (EFA) and $125M from the Northern Australia Infrastructure Facility (NAIF). As at 30 June 2023, total funds drawn were $106.5M representing ~42% of the total loan amount. Key terms of this facility are outlined in note 5.2 to the Financial Statements.

In parallel, the Company refinanced its existing USD secured syndicated debt facility on improved terms. This new debt facility is a US$113M, secured 5-year amortising debt facility with BNP Paribas, Société Générale, HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB). As part of this refinance an undrawn working capital facility of US$25M was cancelled. Proceeds from this debt facility have been predominantly used to refinance the previous secured syndicated debt facility, which was subsequently paid out. The new US$113M facility is fully drawn with the balance outstanding as at 30 June 2023 of US$101.7M following the first repayment under the facility of US$11.3M in June 2023. Key terms of this facility are outlined in note 5.2 to the Financial Statements.

POSCO Pilbara Lithium Solution Co Ltd

During the year, POSCO Pilbara Lithium Solution Co Ltd executed a KRW600B (US$460M) loan agreement to fund the expected balance of the capital development and commissioning costs for the 43,000 tpa Lithium Hydroxide Chemical Facility currently under construction in Gwangyang, South Korea.

The debt facility is non-recourse to Pilbara Minerals with the security provided by the POSCO Pilbara JV Company and limited to the land, building, plant and equipment of the facility. The loan agreement has been executed with The Korea Development Bank and The Export-Import Bank of Korea, both well-established government-owned banks in South Korea.

Liquidity

In total, the Company currently has $423.8M in total loan facilities of which $276.9M or 65% is drawn (based on the exchange rate at 30 June 2023). Combined with a cash balance of $3.3B, the Company has a total of $3.5B of cash and available loan facilities. This is a strong liquidity position that provides Pilbara Minerals with financial strength to withstand short term volatility in market prices for spodumene concentrate and the flexibility to continue to invest in growth.

Material Business Risks

Pilbara Minerals operates in an uncertain economic environment, which can impact its ability to deliver results in accordance with its strategic objectives. Its financial results are subject to various risks and uncertainties, some of which are outside the reasonable control of the Company.

The Company's Board and management identify, monitor and manage risks through the Risk Management Framework.

The following factors are all capable of having a material adverse impact on the Company's business, results and prospects for future financial years.

Commodity Prices

The Company generates revenue primarily from the sale of spodumene concentrate through customer offtake and sales agreements. The commodity price is determined by external markets which are outside the Company's control, making it susceptible to adverse price movements. Spodumene concentrate is not a commodity for which hedging or derivative transactions can be easily used to manage commodity price risk. The Company closely monitors spodumene concentrate pricing and, if necessary, it can modify its operations to minimise its exposure to adverse price movements.

Foreign Exchange Rates

Spodumene concentrate and tantalum prices, certain capital equipment purchases, operating inputs and services relating to the Pilgangoora Operation, and some of the Company's debt facilities are denominated in US dollars. This exposes Pilbara Minerals to fluctuations in foreign currency exchange rates. Pilbara Minerals' functional currency and most of its expenditure is, and will be taken into account, in Australian dollars.

There is a "natural" (but not perfect) hedge which matches to some degree US denominated revenues with US debt and interest payments. The Company monitors foreign exchange exposure risk on a regular basis through its treasury function and manages its exposure to foreign exchange movements using derivative financial instruments to convert US sales receipts to Australian dollars depending on the timing and certainty of the receipts.

Production, Operating and Capital Costs

Changes in the operating costs for mining and processing, and capital costs at the Pilgangoora Operation could occur as a result of unforeseen events such as international and local economic and political events. Certain materials and reagents required for the processing operations are specialist items and may become difficult to procure and/or the price of these specialist materials and reagents may increase as a result of increased future demand.

Many of these factors are beyond the Company's control. Therefore, Pilbara Minerals may be faced with varied production and higher capital and operating costs in the future compared to current costs

Climate Change

Pilbara Minerals' operations could be impacted by changes to local or international regulations, taxation, and / or penalties for carbon emissions related to climate change mitigation policies. The Company remains committed to achieving net zero emissions in the decade commencing 2040 by progressing its decarbonisation pathway and measuring impacts of carbon.

Climate change may cause certain physical and environmental risks that cannot be reasonably predicted by Pilbara Minerals. These risks include events such as increased severity of weather patterns and incidence of extreme weather events such as cyclones. This risk is discussed in more detail in the Sustainability section of the report on page 86.

Ore Reserve

The Company's Ore Reserve and Mineral Resource assessments for the Pilgangoora Operation in accordance with the JORC code, involve elements of estimation and judgement. The preparation of these estimates involves application of significant judgement and no guarantee or assurance of mineral recovery levels, or the commercial viability of deposits can be provided. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on assumed future costs and commodity prices and, consequently, the value of actual Ore Reserves including their economic extraction and mineral resources, may differ from those estimated, which may result in either a positive or negative effect on operations.

Transport and Infrastructure

The Company's operations depend on an uninterrupted flow of finished products, materials, supplies, services and equipment. Pilbara Minerals is dependent on third parties for the provision of trucking, port, shipping and other transportation services. Contractual disputes, port capacity issues, availability of trucks or vessels, weather problems, labour disruptions, or other factors could have a material adverse effect on Pilbara Minerals' ability to transport (or take delivery of transported) product and materials to meet schedules and contractual commitments, which may in turn impact Pilbara Minerals' business, results of operations and financial performance.

Geopolitical Risk

The Chinese market is a significant source of global demand for lithium minerals and chemicals across the spectrum of the global lithium supply chain. The Company's exposure to China's economic policies is significant and could impact commodity prices, capital flows, macroeconomic indicators and general confidence and sentiment. In particular, Pilbara Minerals' operations could be exposed to geopolitical risks between Australia and China which have become more prevalent in recent times including China imposing import restrictions on Australian commodities. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that it will not be impacted by such occurrences.

Delivery of Key Expansion Projects

Pilbara Minerals has two expansion projects underway, P680 and P1000. Construction of P680 is well underway, however the completion of the project underpins the delivery of P1000. Whilst substantial work has been undertaken in preparation, there remains a risk that unexpected challenges or issues may arise that impact the timeline for delivery, and of expected benefits or synergies.

Licences, Permits and Approvals

To operate the Pilgangoora mine, Pilbara Minerals needs to comply with applicable environment and planning laws, regulations and permitting requirements. The Company has in place the necessary approvals and licences to operate the Pilgangoora Operation. There can be no assurance that approvals and permits required for future expansions of the mine or its infrastructure will be obtained.

Information Technology and Cyber Security Risk

The Company's operations are supported by information technology systems that are subject to interference or disruptions resulting in production downtime, operational delays, destruction or corruption of data, disclosure of sensitive information and data breaches. Pilbara Minerals has established disaster recovery plans and cyber security monitoring systems to manage this risk.

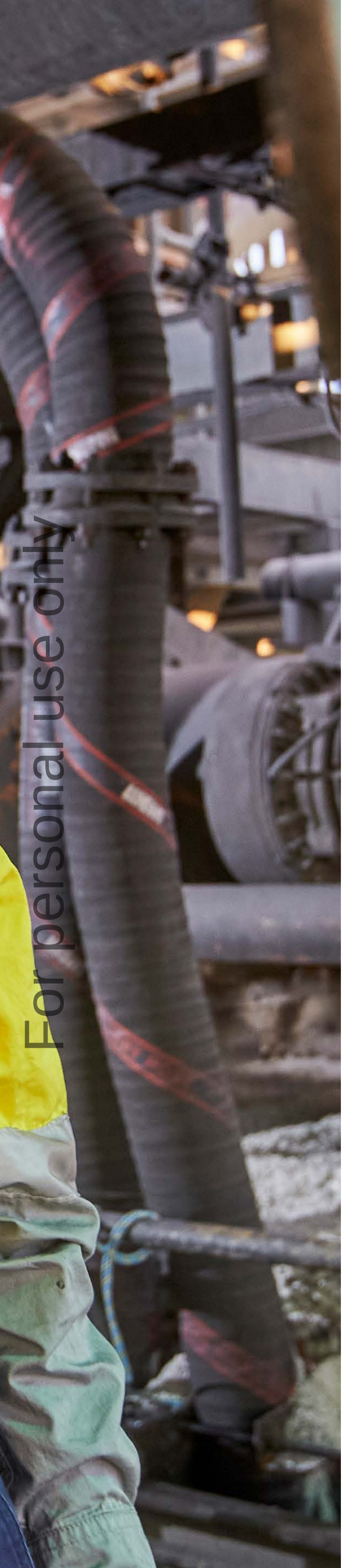
Employee Workforce

Competition for human resources continues to be very high as the world emerges from the downturn effected by COVID-19. Strategic retention strategies and incentive schemes, and a focus on organisational culture, employee health and wellbeing continue to be a focus to address human resource risk.

Environmental, Social and Governance

Stakeholders demand proactive Environmental, Social and Governance (ESG) management. As a result, Pilbara Minerals must demonstrate effective management of all material sustainability matters. Accurate data and transparent reporting are critical to support meeting the rising stakeholder expectations and prevent greenwashing. Failing to implement effective ESG measures and provide adequate disclosures risks reduced investments, delays in approvals, higher obligations, increased insurance costs, damaged reputation and impacts to talent attraction and retention.


Pilbara
Minerals



Operate

Deliver our operating performance commitments.

620,147 dmt
Total spodumene concentrate produced

64% ▲

607,501 dmt
Total spodumene concentrate shipped

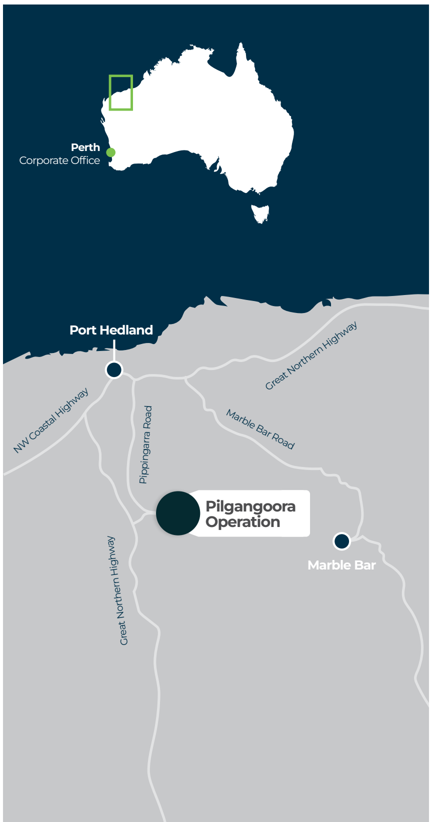
68% ▲

The Pilgangoora Operation

The Pilgangoora pegmatite field was discovered in 1905 with alluvial tantalite recorded. Up until 1975, the area was variously worked for alluvial tin and tantalite by various companies before larger scale alluvial operations took place. Exploration for rare-metals and other commodities including gold and base metals had been undertaken by numerous companies but it was not until 2014 that the full potential for lithium was recognised.

Pilbara Minerals continues to undertake exploration drilling programs with the aim of upgrading and expanding the resource inventory for reserve consideration.

The Pilgangoora Operation now hosts one of the world's largest hard-rock lithium deposits and is one of the most important sources of lithium raw materials globally.



The acquisition of the Ngungaju Plant and associated tenure has opened immense exploration potential in the area. Being part of the same mineralised system, it provides the opportunity for Pilbara Minerals to potentially increase the Mineral Resource and Ore Reserve inventory. Much of the Pilgangoora Operation outside of the immediate mine area remains under-explored and therefore provides potential for further resource growth over the coming years.

Mining & Processing

Production at the Pilgangoora Operation increased substantially in FY23 with the Company delivering its highest tonnes from the combined Pilgan and Ngungaju Plants.

Total production comprised 620,147 dmt of spodumene concentrate, an increase of 64% over FY22. Total ore mined was 5,034,998 wmt, an increase of 48% over the previous reporting period at an average grade of 1.39% Li_2O. This production was in line with the upper end of stated FY23 production guidance of 600,000 to 620,000 tpa of spodumene concentrate.

Pilbara Minerals continued with its production and marketing strategy to maximise sales volumes by targeting a lower product grade to optimise product yield and concentrate production. A strategy that ultimately delivered a strong cash balance at year end.

The Pilgan Plant continued to perform with nameplate production capacity in the range of 360,000 - 380,000 tpa of spodumene concentrate.

The Ngungaju Plant was successfully ramped up to nameplate capacity with production in the range of 180,000 to 200,000 tpa of spodumene concentrate from the September Quarter 2022 which continued for the remainder of the year.

Tantalite production totalled 50,741 lb, this was lower than planned, principally due to ore continuing to be sourced from the South Pit which has minimal tantalite content and maintenance undertaken on the tantalite circuit to improve mineral recovery.

Full year unit operating costs for the Pilgangoora Operation (Free on Board (FOB) Port Hedland and excluding freight and royalties) was \$613 / dmt (FY22: \$555 / dmt)[1]. This was in line with guidance given of \$600 - \$640 / dmt (FOB Port Hedland excluding royalties). Cost increases were due to labour shortages in the Western Australian mining sector, supply chain disruptions and inflation.

When including freight and royalty costs, the unit operating cost for FY23 was \$1,091 / dmt (FY22: \$844 / dmt)[1] with higher selling prices translating to higher royalty costs.

Mining volumes were slightly elevated as a result of increased waste movements to support the mine plan.

1. FY22 unit cost only includes costs associated with the Pilgan Plant because the Ngungaju Plant was being recommissioned during this period.

Table 2: Total Ore Mined and Processed

	UNITS	Q1	Q2	Q3	Q4	TOTAL[1]
Ore mined	wmt	1,442,545	1,095,739	1,225,563	1,271,150	**5,034,998**
Waste mined	wmt	6,540,334	6,360,951	6,572,687	7,311,878	**26,785,850**
Total material mined	wmt	7,982,879	7,456,690	7,798,250	8,583,028	**31,820,847**
Ore processed	dmt	801,968	902,924	846,949	893,500	**3,444,341**

Table 3: Total Production and Shipments

	UNITS	Q1	Q2	Q3	Q4	TOTAL[1]
Spodumene concentrate produced	dmt	147,105	162,151	148,131	162,761	**620,147**
Spodumene concentrate shipped	dmt	138,249	148,627	144,312	176,314	**607,501**
Tantalite concentrate produced	lb	17,222	17,721	8,575	7,224	**50,741**
Tantalite concentrate shipped	lb	6,174	18,374	-920[2]	0	**23,627**

1. Totals may not add up due to rounding.
2. This is an adjustment on the previous quarter's total shipped quantity. No tantalite was shipped in March Quarter 2023.

Market & Sales

Production at the Pilgangoora Operation increased substantially in FY23 with the Company delivering its highest tonnes from the combined Pilgan and Ngungaju Plants.

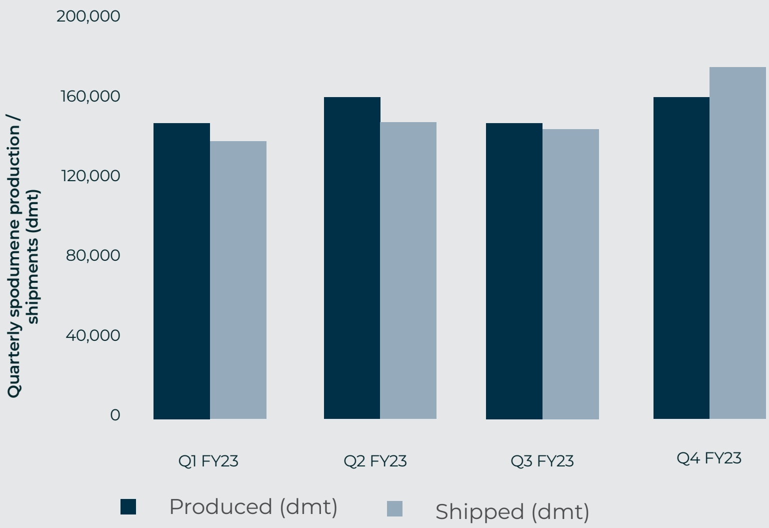
FY23 also marked a period of strong sales growth for Pilbara Minerals, with spodumene concentrate sales totalling 607,501 dmt, representing a 68% increase (FY22: 361,035 dmt) as shown in Figure 4. This growth was driven by a combination of market demand and increased production capacity across the Pilgangoora Operation.

Pilbara Minerals achieved strong pricing outcomes during FY23 which led to sales revenue of $4.1B, representing a 242% increase year on year (FY22: $1.2B). This includes the highest price achieved to date of US$8,575/dmt on an SC6.0 equivalent basis (CIF China) for a cargo contracted in November 2022 on the BMX platform.

Additionally, a total of 55,294 dmt of middlings (~1.2% Li_2O) was sold during FY23, generating revenue of $39.0M.

Figure 4: Production and Sales

Consistent quarter on quarter performance



64% increase spodumene production compared to FY22

242% increase in sales revenue compared to FY22

As shown in Figure 5, lithium chemical and spodumene prices declined in the second half of FY23 influenced by a combination of:

- Conclusion of federal subsidies in China for electric vehicles.
- Upcoming tightening of Chinese emission standards resulting in discounts in internal combustion engine vehicles and pricing competition for electric vehicles.
- Delay in China re-opening post COVID-19.
- Inventory destocking in the supply chain at the battery and original equipment manufacturer (OEM) level.

During the last quarter of FY23, restocking of inventory levels across the supply chain, driven by continued demand in electric vehicles, led to some market stability in lithium prices.

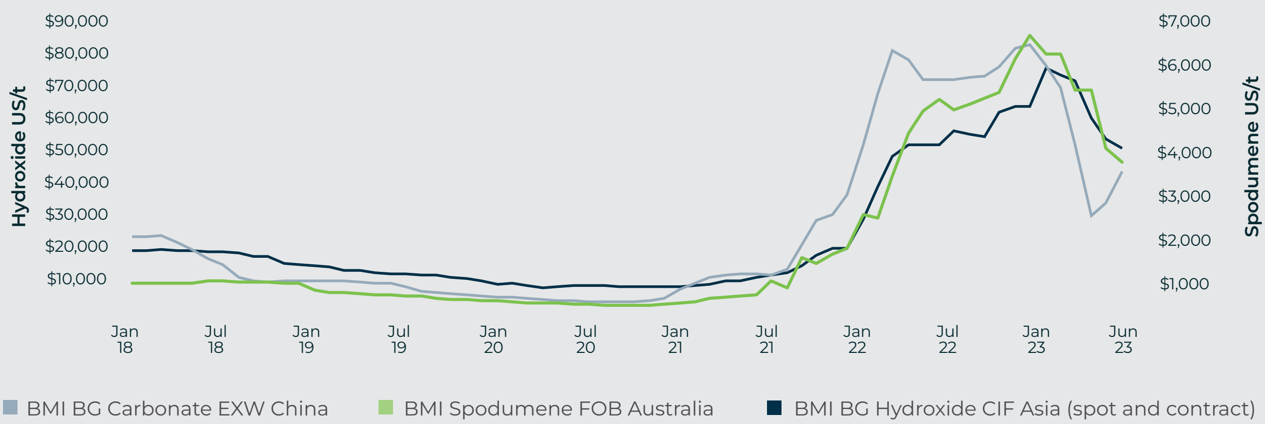
Demand for lithium raw materials for Financial Year 2024 (FY24) is expected to remain robust but with some pricing volatility in the shorter term as the supply chain continues to tightly manage inventory levels in light of global macroeconomic conditions. The longer term outlook for lithium raw materials is expected to remain strong with growing evidence that the global lithium deficit may continue to widen as demand outstrips supply.

Spodumene Concentrate Sales

In FY23, spodumene concentrate sales were sold through a combination of long-term offtake agreements (refer Table 4) and spot sales including on the Battery Material Exchange (BMX) platform.

Future production of up to 315,000 dmt per annum is allocated under an offtake agreement to POSCO Pilbara Lithium Solutions (a joint venture between POSCO and Pilbara Minerals) to supply a 43,000 tpa Lithium Hydroxide Chemical Facility that is currently under construction in South Korea. It is expected that spodumene concentrate supply

Figure 5: Lithium Pricing



Source: Benchmark Mineral Intelligence June 2023 Quarter.
Note: Prices are the average monthly price as published within the respective month.

will commence and progressively ramp up across FY24 as the new chemical conversion facility starts commissioning towards the end of the 2023 calendar year (CY23).

Subsequent to the end of FY23, the Company entered into a short term spodumene concentrate offtake agreement with Chengxin Lithium for 70,000 dmt for supply within FY24, including an option for future extension if mutually agreed.

Pricing Methodology

Pricing under the Company's offtake agreements is derived from a combination of pricing methodologies either linked to spodumene concentrate pricing reported by independent price reporting agencies (PRAs) (FastMarkets, Platts, Asian Metals, SMM and BMI), or a pricing formula linked to the price of lithium chemicals.

Pricing reference data for lithium chemicals typically includes a combination of indices for battery grade lithium carbonate and lithium hydroxide for both Chinese domestic and ex China outcomes.

The majority of sales under the Company's offtakes are provisionally priced at the time of entering into a sale contract and issuance of letters of credit which generally occurs up to two months prior to a shipment. A final pricing adjustment is then made following shipment based on updated pricing data for an agreed pricing period typically being a two month period including the month of shipment. This has the effect of better aligning spodumene pricing to the time of delivery of product to customers.

All offtake agreements have regular price review mechanisms so that the pricing methodologies derive a pricing outcome better aligned with the prevailing market price for spodumene concentrate.

Tantalite Concentrate Sales

In FY23, Pilbara Minerals sold 23,627 lbs of primary tantalite concentrate to Global Advanced Metals, a vertically integrated provider of tantalum metallurgical products and tantalum powders for high-performance capacitators, with a total value of $2.1M.

Downstream Partnering Initiatives

Following a final investment decision (FID), which gave the green light to the P1000 Project, Pilbara Minerals launched a strategic partnering process to explore opportunities to partner in downstream lithium conversion using future unallocated spodumene concentrate.

Though in its early stages at the time of reporting, the Company has received significant inbound interest from a wide range of industry participants in relation to the partnering process including chemical converters, battery manufacturers and car manufacturers seeking opportunities for supply of lithium raw materials. The process will consider a range of potential proposals including possible joint ventures in downstream chemical facilities in mutually agreed locations which could be supported by offtake of up to 300,000 tpa of spodumene concentrate from the expanded Pilgangoora Operation.

Pilbara Minerals expects to engage with credible partners who show strong interest in exploring the potential of partnering downstream including jointly progressing further studies to support such a project and who can meaningfully enhance the value of the Pilgangoora Operation for Pilbara Minerals' shareholders.

Pilbara Minerals is targeting outcomes from this initiative by the end of the March Quarter 2024. However, at this stage of the process there is no certainty that any transaction will be announced or completed.

Table 4: Spodumene Offtake Agreements for FY23

CUSTOMER	OFFTAKE VOLUME	END OF TERM
Ganfeng Lithium	160,000 dmt per annum	December 2027 with 5 year + 5 year options for future extension
General Lithium	80,000 dmt per annum	December 2024 with options for future extension if agreed
Yibin Tianyi	115,000 dmt per annum	December 2024 with options for future extension if tonnage is mutually agreed
Great Wall	20,000 dmt per annum	December 2024

Resources & Reserves

Mineral Resources

A major resource development drilling program undertaken from November 2022 to June 2023 has resulted in a 36% increase in total resource tonnage for Pilbara Minerals' 100% owned Pilgangoora Operation.

The June 2023 Mineral Resource statement comprises a total of 413.8 Mt grading 1.15% Li_2O, 112ppm Ta_2O_5 and 0.53% Fe_2O_3, containing 4.75 Mt of Li_2O and 101.8 million pounds of Ta_2O_5.

Table 5: Pilgangoora Operation – JORC Mineral Resource (using 0.2% Li_2O cut-off)

CATEGORY	TONNES (Mt)	Li_2O (%)	Ta_2O_5 (ppm)	Fe_2O_3 (%)
Measured	22.1	1.34	146	0.44
Indicated	315.2	1.15	106	0.53
Inferred	76.6	1.07	124	0.54
Total	**413.8**	**1.15**	**112**	**0.53**

Table 6: Change to Mineral Resource from 30 June 2022 to 30 June 2023

TOTAL MINERAL RESOURCE	TONNES (Mt)	Li_2O (%)	Ta_2O_5 (ppm)	Fe_2O_3 (%)
Mineral Resource as at 30 June 2022	305	1.13	105	0.60
Mineral Resource as at 30 June 2023	414	1.15	112	0.53
Total change from 30 June 2022 to 30 June 2023	**109**	**1.19**	**129**	**0.35**

Ore Reserves

The continued mining operations at the Pilgangoora Operation and the increased Mineral Resources have resulted in a revised Ore Reserve estimate. Work undertaken to produce the updated Ore Reserves comprised resource estimation, review of assumption parameters, pit optimisations, economic evaluation and pit designs. The resultant Ore Reserves as at 30 June 2023, was 214.2 Mt at 1.19 Li_2O, 103 ppm Ta_2O_5 and 0.99 Fe_2O_3 (Table 7).

Table 7: Pilgangoora Operation Ore Reserve estimate as at 30 June 2023 (using 0.3% Li_2O cut-off)

CATEGORY	TONNES (Mt)	Li_2O (%)	Ta_2O_5 (ppm)	Fe_2O_3 (%)
Proved	19.1	1.32	133	0.92
Probable	195.1	1.18	100	1.00
Total	**214.2**	**1.19**	**103**	**0.99**

Table 8: Change to Ore Reserve from 30 June 2022 to 30 June 2023

TOTAL ORE RESERVE	TONNES (Mt)	Li_2O (%)	Ta_2O_5 (ppm)	Fe_2O_3 (%)
Ore Reserve as at 30 June 2022	158.8	1.18	101	1.03
Ore Reserve as at 30 June 2023	214.2	1.19	103	0.99
Total change from 30 June 2022 to 30 June 2023	**55.4**	**1.22**	**111**	**0.90**

Notes to the table

- Totals may not add up due to rounding.
- All Open-pit Ore Tonnes are defined using the weighted average cost and recovery of the Pilgan and Ngungaju plants.
- Ore Reserves are based on an expected value calculation to report tonnages above a zero $/t net expected value, excluding mining cost. The cut-off to define ore is therefore variable in metal grades but equates to an approximate cut-off grade of 0.3% Li_2O.
- Ore Reserves were estimated using projected concentrate prices of US$1,450/dmt (CFR price) for 6% Li_2O concentrate and US$36/lb for 25% Ta_2O_5 concentrate.
- The Ore Reserve is the economically mineable part of the Measured and Indicated Resource. It includes allowance for ore losses and dilution during mining extraction.
- Pilbara Minerals ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls at both a site level and at the corporate level. Mineral Resources and Ore Reserves are reported in compliance with the JORC Code 2012, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. The Mineral Resources and Ore Reserve statements included in this Annual Report were reviewed by the Competent Persons prior to inclusion.
- Stockpiles at the Ngungaju plant have had no Ta_2O_5 grade applied.
- The Probable Ore Reserves include 5.0 Mt of stockpiles. These comprise 1.7 Mt at 1.27% Li_2O and 0.72% Fe_2O_3 at the Ngungaju Plant, and 3.3 Mt at 1.26% Li_2O, 106ppm Ta_2O_5 and 0.80% Fe_2O_3 at the Pilgan Plant.

The Pilgangoora Operation is strategically positioned within Western Australia's resource-rich Pilbara region.

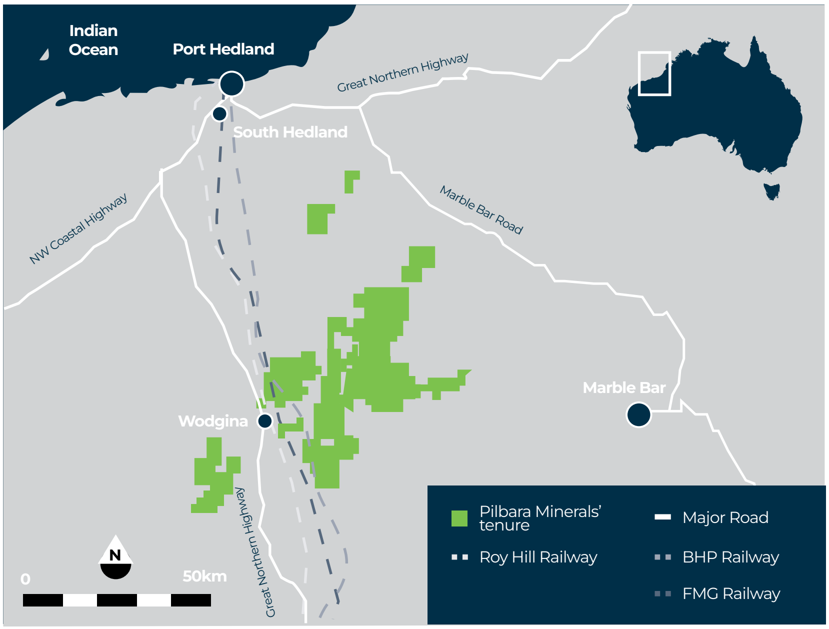


Image: Pilgangoora Operation map

Geology & Exploration

The Company has a consolidated position of tenure within the Pilgangoora pegmatite district and tenements within the Strelley, Tabba Tabba and Wodgina districts that together form part of one of the largest pegmatite provinces in the world. Most of the regional tenements are greenfields opportunities prospective for a range of commodities including rare metals, gold and base metals.

Geology

The Pilgangoora pegmatite district is located within the East Strelley greenstone belt, approximately 30 km east of Wodgina. Three principal pegmatite groups or domains are identified in the centre of the project area: Eastern, Central and South. Pegmatites of the principal domains have a strike length of up to 1.4 km, and mostly range in thickness from 1-30 m, although pegmatites in the Central domain may be up to 70 m thick. Two outlying pegmatite groups, Monster and Southern have strike lengths of up to 350 m and 500 m respectively. Pegmatites strike sub-parallel to the dominant north-northwest trending fabric of the greenstone belt with variable dips ranging from shallow to sub-vertical to the east.

The pegmatite domains at Pilgangoora are composites of several intrusive phases emplaced sequentially over the duration of the late-stage Turner River orogeny. Lithium grade in the pegmatite domains is subject to two main influences, one primary and the other secondary. The primary ore types comprise mainly coarse spodumene, K-feldspar and quartz, and the abundance of spodumene relative to the other two gangue phases is likely the main control on grade variations in zones grading better than 2% Li_2O.

Exploration

Pilbara Minerals completed a major resource development drilling program at the Pilgangoora Operation during the year. The drilling campaign, which included over 46,000 m of reverse circulation and diamond drilling, has resulted in a significant expansion of the Mineral Resource. Details of the exploration program and subsequent Resource and Reserve statements were provided in Pilbara Minerals' ASX announcement dated 7 August 2023. Drilling of several high priority exploration targets outside of the mine footprint commenced in the September Quarter 2023. In addition, core drilling programs were undertaken for further geometallurgical and geotechnical assessment. Regional exploration including surface geochemistry and geological mapping on a number of the Company's outlying exploration licence areas was in progress at the time of reporting.


PELICAN
MIKA
Pilbara Minerals
Powering a sustainable energy future

Grow

Achieve full potential at Pilgangoora.

P680

Construction works for the P680 Expansion Project awarded to Primero Group Limited

P1000

Financial Investment Decision for the P1000 Expansion Project

Pilbara Minerals continues to invest heavily in its planned growth strategy with two expansion projects underway which will take nameplate production capacity to 1 Mtpa of spodumene concentrate by 2025.

Image: P680 Project - Primary rejection infrastructure construction underway

P680 Project

Construction Underway

During FY23, construction of the P680 Project commenced on schedule. The P680 Project will increase production capacity by 100,000 tpa of spodumene concentrate from the Pilgan Plant. Once operational, this will increase the Pilgangoora Operation's total nameplate capacity to between 640,000 to 680,000 tpa.

Pilbara Minerals awarded a contract for construction works associated with the P680 Project to Primero Group Limited (Primero), a wholly-owned subsidiary of NRW Holdings. These works are pertaining to the construction of the primary rejection facility and preliminary works for the new crushing and ore sorting facility.

In late December 2022, Pilbara Minerals provided a revised capital cost estimate for the P680 Project of $404M. This revised capital cost estimate was largely due to increased cost of materials and equipment, acceleration costs to maintain project schedule, increased quantities of work as engineering progresses, as well as additional trade labour hours being required for construction in the current labour market.

Commissioning of the primary rejection facility (Figure 6) remains on target for the September Quarter 2023 with full capacity targeted for the end of the December Quarter 2023.

Commissioning of the new company-owned crushing and ore sorting facility (Figure 7) is expected in the June Quarter 2024 with ramp-up scheduled during the September Quarter 2024. Upgrades to the existing crushing circuit are planned to be implemented in the September Quarter 2024 to increase the overall throughput of the network. This facility will be capable of processing up to 5 Mtpa of ore at the Pilgan Plant, supporting further process improvements and concentrate quality.

This facility is also critical to supporting the P1000 Project that will ultimately deliver nameplate production to up to 1 Mtpa of spodumene concentrate.

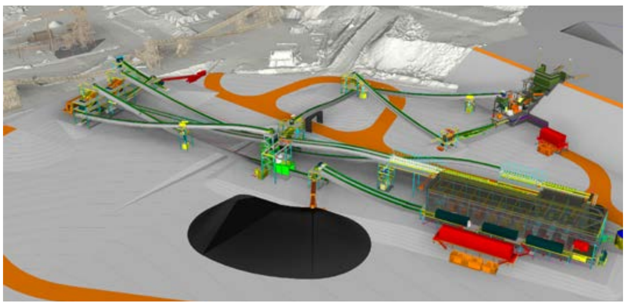


Figure 6: Integrated crushing and ore sorting facility 3D design model (existing plant infrastructure in greyscale).

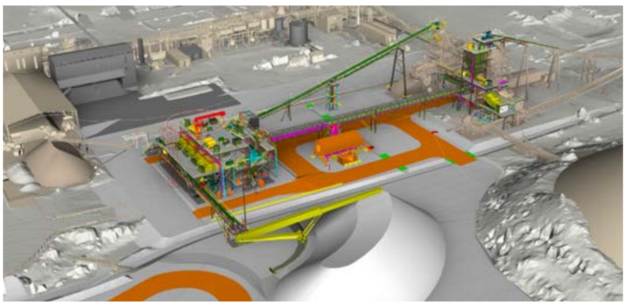


Figure 7: Primary Rejection 3D design model (existing plant infrastructure in greyscale)

P1000 Project

Final Investment Decision Made

The P1000 Project will increase total spodumene concentrate production capacity across the Pilgangoora Operation to up to 1 Mtpa, with the Board approving the capital investment for the P1000 Project in March 2023.

The P1000 Project will increase the nameplate production capacity by approximately 47%, from 680,000 tpa to up to 1,000,000 tpa of spodumene concentrate once fully commissioned, with first ore targeted for the March Quarter 2025.

The P1000 Project scope incorporates the design and construction of a series of additional unit processes at the Pilgan Plant which will be tied into the existing flowsheet through a series of staged shutdowns and interface works. Extensive duplication of current equipment delivers commonality of spares, known performance and throughput capacity.

It is assumed that concentrate continues to be exported from the Eastern Harbour Berth 2 at the Port Hedland Port for the P1000 Project. However, further port capacity will likely be required when the P1000 Project ramps up to full capacity.

As a result, improvement initiatives are being trialled to increase Eastern Harbour capacity, including utilising Berth 1, until the new Port Hedland Lumsden Point Port facilities are developed from the end of the 2025 calendar year.

Lumsden Point, which is jointly funded by the State and Federal Governments, is a new multi-user port facility and logistics hub to facilitate the export of battery minerals and other commodities.

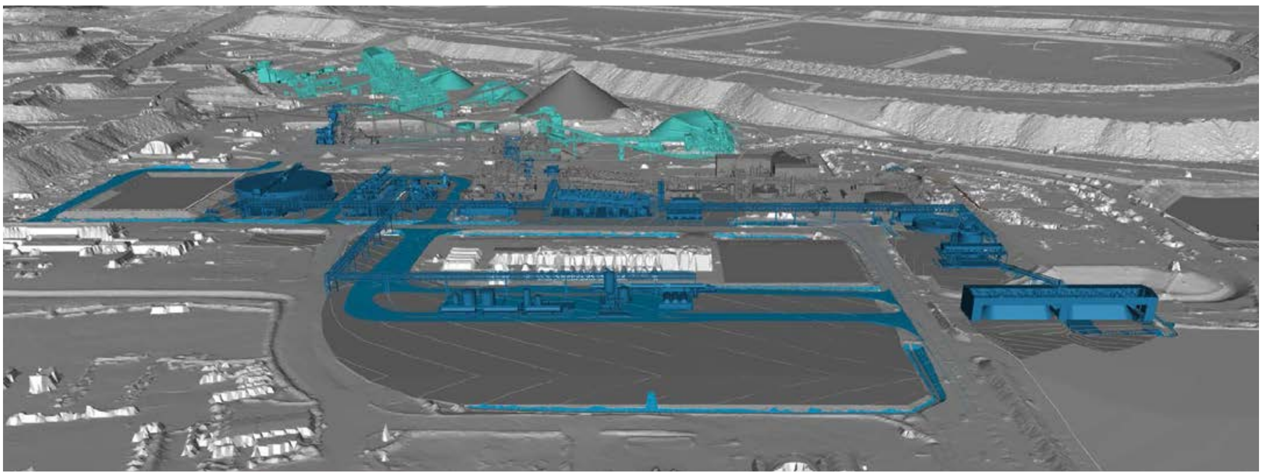


Figure 8: Pilgan Plant schematic i) P680 Project in teal and ii) P1000 Project Expansion in dark blue


Pilbara Minerals

Chemicals & Diversify

Extract greater value along the battery materials supply chain.

Diversify revenue beyond Pilgangoora.

Downstream Lithium Hydroxide JV with POSCO

Continued construction of a lithium hydroxide facility in South Korea

Mid-stream Demonstration Plant Project with Calix Limited

Detailed design, cost estimates and engineering studies completed for Mid-stream Demonstration Plant

Image: Construction site at the Lithium Hydroxide Processing Facility in South Korea as at 20 July 2023

Pilbara Minerals progressed two diversification projects during FY23 as part of the Company's strategic plan to diversify product and revenue streams and extract greater value along the battery materials supply chain.

Downstream Lithium Hydroxide JV with POSCO

Pilbara Minerals and POSCO Holdings (POSCO) finalised a JV agreement in FY22 with the objective of developing a 43,000 tpa lithium hydroxide production facility in Gwangyang, South Korea. Pilbara Minerals holds an 18% equity interest in the JV with the option to increase its equity interest to 30%.

The JV positions Pilbara Minerals and POSCO as one of the few near-term lithium chemicals producers outside of China, with raw materials supply committed from the Pilgangoora Operation. A 315,000 tpa spodumene concentrate offtake agreement has been entered into with the JV company which will supply the facility on commercial terms once operational.

The new facility will consist of two independent production trains, each producing 21,500 tpa of lithium hydroxide. Procurement and major construction works are continuing.

Commissioning of the first train of the Lithium Hydroxide Chemicals Facility is expected towards the end of CY23.

Mid-stream Demonstration Plant Project with Calix Limited

Pilbara Minerals and Calix entered into a JV agreement in November 2022, for the development of a Mid-stream Demonstration Plant at the Pilgangoora Operation. A final investment decision for the development of the project was subsequently made on 2 August 2023.

Extracting lithium from spodumene concentrate requires the application of intense heat traditionally in a gas or coal fired rotary kiln or "calciner" so that the contained lithium can then be acid leached into solution.

The objective of the Mid-stream Demonstration Plant is to validate the technical and commercial viability of Calix's electric calciner by applying electric flash calcination

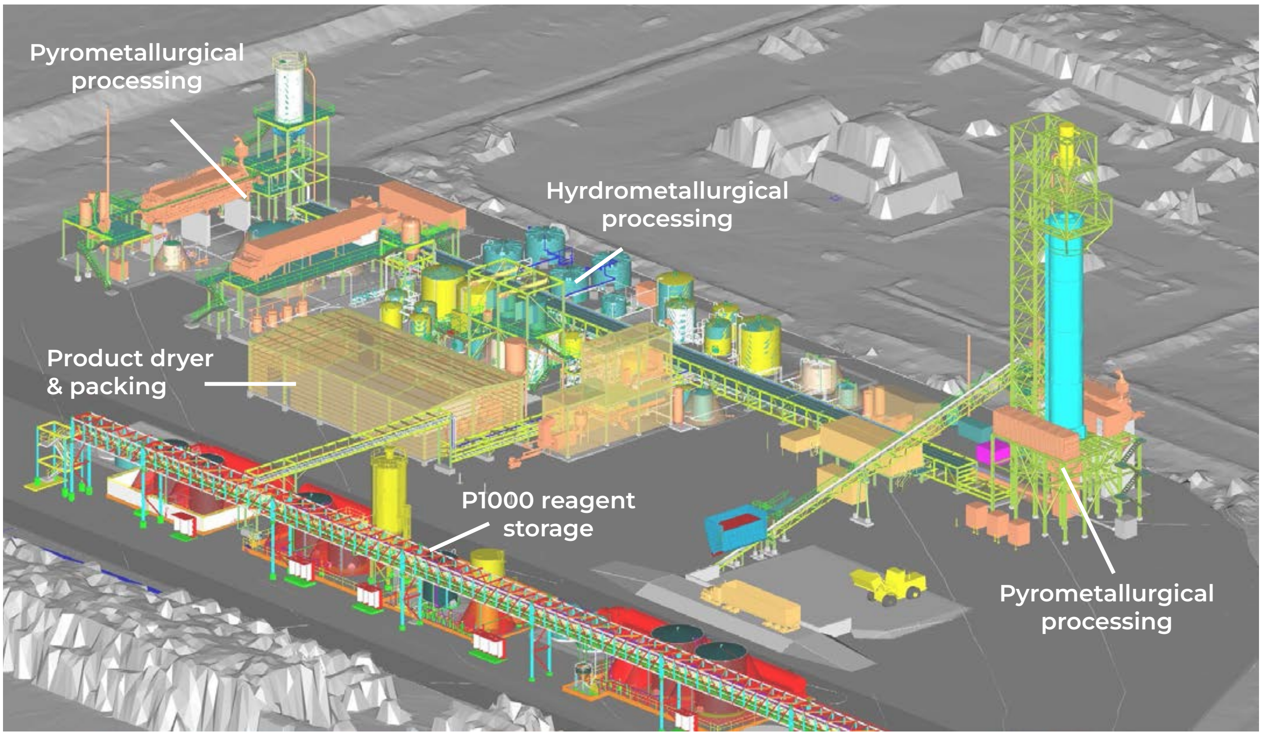


Figure 10: Proposed Mid-Stream Demonstration Plant schematic

to lithium hard-rock minerals via a demonstration plant with a commercial sized calciner in place of a conventional fossil fuel-fired rotary kiln. This will include testing the ability to calcine finer spodumene concentrates thereby potentially allowing greater value extraction from resources through improved recoveries.

Successful demonstration of the technology could enable production of a mid-stream lithium enriched product at the Pilgangoora Operation that has:

- Increased lithium concentration (and potentially a higher value product).
- Elimination of waste in the saleable product.
- Significantly reduced carbon intensity in the calcination stage if powered with renewable electricity.

Pilbara Minerals has a 55% interest in the JV (Calix 45%) and will oversee both the construction and operation of the Mid-stream Demonstration Plant at the Pilgangoora Operation.

Pilbara Minerals will fund 79% of construction costs with Calix contributing the remaining funds, and the Australian Government contributing $20M under the Modern Manufacturing Initiative grant.

Should the calcination technology be successfully demonstrated, Pilbara Minerals has the non-exclusive right to licence the technology for use in its own potential mid-stream or downstream commercial scale plants to produce lithium salts or chemicals, either at the Pilgangoora Operation or in respect of future projects that Pilbara Minerals may develop either alone or in partnership. The parties to the JV may also seek to commercialise the technology through a separate commercialisation joint venture having the exclusive worldwide right to licence the technology to third parties in respect of lithium processing applications.

Work undertaken during FY23 to progress the project includes the development of a work program including design and engineering studies, further work on capital budget estimation for the construction and operation of the Mid-stream Demonstration Plant, conducting a continuous piloting campaign on the developed mid-stream process, as well as market engagement using product samples from this pilot program. Work was also progressed with the Department of Mines, Industry Regulation and Safety in respect to applying for a mining proposal and mine closure plan for the demonstration plant.


Pilbara Minerals

Sustainability

Sustainability Mission

Contribute to a sustainable future through responsible operations and ethical business practices that deliver economic returns for shareholders and create shared value in the community.

78%
Workforce growth

6MW
Solar farm commissioned

2.9
Safety interactions per 1000 hours (>2.0 target)

292
Employees completed Cultural Awareness Training

4.7
Total recordable injury frequency rate

4
New multi-year community partnerships

Message from the Sustainability Committee Chair

Dear Stakeholder,
Driving the global energy transformation is not only core to our business, but at the heart of our purpose to make the world a better place. Within every part of our business there is always room for improvement, and that is where our focus is, on integrating sustainability at the operational level and into the core of all activities.

I am pleased to share the strides we've taken this year by further integrating sustainability into the way we work, with the appointment of our first Chief Sustainability Officer, Sandra McInnes, elevating the area on our agenda and ensuring it is represented at the executive level.

Amidst substantial business growth in FY23, we continued to prioritise our Environmental, Social and Governance (ESG) obligations by investing in new technology, enhancing our partnerships, and improving our processes.

This year, we took a major step in the decarbonisation of our business with the commissioning of a 6MW solar farm, which is now supplying power to the Pilgangoora Operation. We are also pursuing innovation projects such as the mid-stream process that has the potential to materially reduce carbon emissions intensity in the lithium battery materials supply chain.

Safety remains paramount to our business and is fundamental to our operating philosophy. I'm pleased to report we exceeded our leading indicator targets this year; a result of the strong safety culture ingrained across the business. Our performance in environmental management was also strong with zero major incidents recorded in the reporting period.

Maintaining our culture is imperative to our business, particularly in this rapid phase of growth. This year we conducted our first, annual employee culture survey which delivered positive results, as well as highlighted some areas for improvement. As a team we are now working to address these areas, through the formation and implementation of action plans at the team level.

In continued response to the 'Enough is Enough' report we expanded awareness and leadership training to foster a safe and respectful workplace culture for all our employees, as well as collaborating with our peers on initiatives to support the industry's response.

As a business, we continued in our pursuit to ensure shared value is created in the community and we're proud to launch multi-year partnerships with the Smith Family, Teach Learn Grow (TLG) and Earbus Foundation WA and support an asthma prediction research project with the Perth Children's Hospital Foundation.

As we move forward, we are setting our sights on interim targets, focusing on credible and informed goal setting, while prioritising training and awareness to stay ahead in the ever-evolving sustainability landscape.

A significant amount of work goes into driving sustainability initiatives across the business and value chain, and I thank all our Pilbara Minerals' people, customers, stakeholders and partners for joining with us on this important journey.

We hope you enjoy reading about our continued sustainability progress and always welcome your feedback.

Sally-Anne Layman, Chair
SUSTAINABILITY COMMITTEE

Sustainability

Pilbara Minerals is enabling the global transition towards a cleaner energy future by mining and processing hard-rock lithium ore to produce spodumene concentrate (lithium raw material).

Lithium is vital in the manufacture of the batteries that power clean energy technologies such as electric vehicles and energy storage. These technologies are crucial in supporting the world's ambition to achieve net zero and therefore the collective aim to limit global warming to 1.5 degrees Celsius above pre-industrial levels.

Mining plays an important role in addressing this global challenge by producing the materials needed for applications that support decarbonisation. With this role, comes an inherent responsibility for mining companies to operate responsibly and ethically.

Pilbara Minerals continually reviews and looks for ways in which it can do things better when conducting its business and operating its assets. The responsibility to operate in a safe, ethical, socially conscious, and sustainable manner is core to Pilbara Minerals' purpose and fundamental to everything the Company does.

Pilbara Minerals' Sustainability Policy and Strategy underpin the Company's approach to sustainability and support its integration into day-to-day business. The Company's three Sustainability Pillars ensure a focus on all areas of sustainability internally and externally.

Sustainability Pillars

RESPONSIBLE AND ETHICAL OPERATIONS

Responsible and ethical actions underpinning long-term success

VALUE OUR PEOPLE

Great people that go home safe and well each day proud of their contribution

SUSTAINABLE OPERATIONS

Make a positive contribution, minimise our impacts and leverage opportunities

Sustainability Strategy Key Progress Areas FY23

Table 9: Key Progress Areas FY23

MATERIAL TOPIC	STATUS	KEY PROGRESS AREAS FY23
Climate Change and Emissions Reduction **Page 82**	→	**Target: Net zero operation in the decade commencing 2040** • Commissioned a 6MW solar power plant, with studies underway to expand solar capacity. • Updated high-level climate scenario analysis and completed risk assessment in line with the Taskforce on Climate-related Financial Disclosure.
Technology and Innovation **Page 98**	↗	**Target: A strategy and roadmap that guides decisions on innovation projects and technology** • JV agreement established with Calix to test the viability of Calix's electric calcination technology to produce a mid-stream lithium-enriched product with less carbon intensity (when using renewable energy). • Investigated renewable energy technologies and opportunities within the mobile fleet and selected three electric transport initiatives for trial. • Refreshed cyber security training.
Environment and Biodiversity **Page 90**	→	**Target: Zero major environmental and social incidents** • Recorded zero major environmental and social incidents. • Advanced a holistic water balance at the Pilgangoora Operation. • Developed Environmental Management System Improvement Plan to strengthen ISO 14001 alignment.
Traditional Owner Relationships and Opportunities **Page 100**	→	**Target: Support Traditional Owners and their communities to grow and develop by increasing employment and contract engagement opportunities** • Improved processes to measure community sentiment. • Cultural Awareness Training sessions held for 292 employees. • Organised two on-country cultural awareness overnight camps. • Increased spend with over $5M in procurement and contracts awarded to Aboriginal and Torres Strait Islander businesses.
Business Ethics and Transparency **Page 64**	↗	**Target: Alignment to future facing sustainability frameworks and third party verification to support the changing markets** • Increased alignment against disclosure frameworks to continuously improve reporting performance and transparency. • Strengthened governance mechanisms around ESG data capture and collection to better service stakeholders.

↗ **Achieved/Positive Progress** → **Maintained Progress**

Table 9: Key Progress Areas FY23 cont.

MATERIAL TOPIC	STATUS	KEY PROGRESS AREAS FY23
Inclusion and Wellbeing **Page 70**	→	**Target: Improved culture through active engagement and inclusion and diversity** • Completed an employee culture survey achieving an overall engagement score of 78% and participation rate of 87%. • Appointed / promoted six female candidates to key senior leadership positions. • Absolute decrease in female voluntary turnover by 6.6%.
Health and Safety **Page 76**	→	**Target: Eliminate serious potential injuries and fatalities and learn from our incidents** • Recorded zero fatalities and permanent injuries among employees and contractors. • Continued to improve safety culture through a focus on leading safety indicators achieving a field interaction rate of 2.9 per 1000 hours exceeding target. • Implemented a training program on psychosocial hazards identification and risk management. • Engaged third party to deliver Mental Health First Aid training. • Conducted mandatory safe and respectful behaviour training.

Progress Across Additional Material Issues

Human Rights **Page 67**	↗	• Adopted a Human Rights Policy to expand the commitment beyond modern slavery. • Progressed initiatives identified in the FY22 Modern Slavery Statement.
Employee Attraction and Development **Page 71, 74-75**	→	• Introduced a graduate employment program and recruited seven employees through the inaugural intake. • Partnered with KidsCo to implement a school holiday program. • Hosted family days at the Pilgangoora Operation.
Partnerships and Programs **Page 104**	↗	• Working with our communities and people to create shared value. • Support for four multi-year partnerships with community organisations. • $10M commitment to State Government Resource Community Investment Initiative. • Partnered with Pacific Energy and the Strelley Aboriginal Independent School and Community to launch a renewable energy and lithium battery project.
Economic Performance and Growth **Page 21**	↗	• Responsible financial management and growth strategies that underpin long-term success. • Inaugural Dividend to reward shareholders. • Refer to Key Financial Results page 21 to view further detail.

↗ **Achieved/Positive Progress** → **Maintained Progress**

FY24 Focus

In FY24, Pilbara Minerals will maintain its focus on advancing strategic sustainability initiatives and prioritising key focus areas to drive progress as outlined in Table 10.

Table 10: FY24 Sustainability Focus Areas

MATERIAL TOPIC	FY24 FOCUS AREAS
Climate Change and Emissions Reduction	• Continue to develop decarbonisation plan and improve energy efficiency. • Embed climate analysis and internal carbon price to inform decision-making.
Health and Safety	• Mature safety culture through continuous improvement program. • Implement a best-in-class critical risk management system. • Introduce field leadership 'safety coaches' to enhance interaction quality training.
Environment and Biodiversity	• Align Environmental Management System with ISO 14001. • Review environmental systems, technology, and software. • Refine the water balance to identify opportunities for water efficiency and optimisation.
Technology and Innovation	• Continue to assess application of low emissions technology on mining fleet and operations. • Investigate technology to further optimise mining operations to support decarbonisation pathway. • Upgrade cyber security awareness and procedures. • Review and upgrade information technology infrastructure and networks.
Traditional Owner Relationships and Opportunities	• Co-design an engagement strategy to guide activities that strengthen relationships with Aboriginal and Torres Strait Islander peoples, communities, partners, and businesses. • Establish internal working group to maintain progress on initiatives. • Update Cultural Heritage Management Plan.
Business Ethics and Transparency	• Update and implement actions from the Modern Slavery Statement. • Evaluate effectiveness of management systems including modern slavery and contracts procurement. • Evaluate Whistleblower Program. • Conduct third party assurance against sustainability disclosures.
Inclusion and Wellbeing	• Continue to roll out safe and respectful behaviours training. • Develop targeted recruitment strategies for attracting diverse talent, focused on underrepresented groups. • Review policies related to flexible work and parental leave to enhance inclusion.

Sustainability Strategy

Pilbara Minerals' updated Sustainability Strategy (Strategy) has a focus on maturing and improving the Company's performance and disclosure of its material topics over the three-year period from FY23 to FY25.

To support the implementation and progression of actions contained in the Strategy, the Company formed sub-working groups with subject matter experts (SME) to take a deep dive into specific areas, namely:

- Water.
- Decarbonisation.
- Reporting and Disclosure.
- Technology and Innovation.
- Inclusion and Wellbeing.

These sub-working groups report up to a broader Sustainability Working Group on a quarterly basis.

The progress of all actions within the Strategy are reported through to the Sustainability Committee on a quarterly basis, with the Chief Sustainability Officer overseeing operational progress. The Chief Sustainability Officer reports directly to the Managing Director.

Sustainability Policy

Pilbara Minerals' Sustainability Policy underpins the Company's approach to sustainability and supports its integration into day-to-day business operations.

At its core, the Sustainability Policy outlines ways of working that assist in meeting legal, social, and environmental obligations. However, the Company recognises that to achieve best performance sustainability outcomes, it must deliver outcomes beyond compliance.

The Sustainability Policy is informed by external frameworks and best practice guidelines and, as with all company policies, is reviewed and updated every two years if there have been no changes to the applicable frameworks / guidelines in the intervening period.

Pilbara Minerals is committed to continuously improving its sustainability performance and ensuring that activities undertaken support the Company's role in enabling the global energy transformation.

The Sustainability Policy update in FY23 expanded on how employees can support the business in achieving its sustainability mission.

Figure 11: Group Structure

1. A company incorporated in South Korea of which Pilbara Minerals Korea JV Pty Ltd has an 18% equity interest with an option to increase to 30%.

This is achieved by placing an emphasis on the following areas when considering all of Pilbara Minerals' material topics:

- Innovation and leadership.
- Stakeholder and community engagement.
- Legislation and regulation standards.
- Governance, accountability, and oversight.
- Improvements in line with material topics and stakeholder priorities.
- Continuous improvement and performance management.

Frameworks and Disclosure

Pilbara Minerals' Sustainability Framework and policies have been guided and informed by industry leading frameworks such as Sustainability Accounting Standards Board (SASB), Initiative for Responsible Mining Assurance (IRMA), United Nations Sustainable Development Goals (UN SDGs), International Sustainability Standards Board (ISSB), and the Global Reporting Initiative (GRI).

The Company has aimed to align disclosure with SASB, TCFD and UN SDGs, complemented by participation in ESG ratings such as S&P Global Corporate Sustainability Assessment and Sustainalytics.

Additionally, aligned with Pilbara Minerals' strategy to improve disclosure and review various external frameworks, the Company has completed a self-assessment against IRMA's critical requirements, with a focus on closing any existing gaps in the short-term.

The ISSB issued its first two International Financial Reporting Standards (IFRS) S1 and IFRS S2 in June 2023. Pilbara Minerals will prioritise ISSB readiness in conjunction with relevant ESG regulatory reporting requirements.

Reporting Scope

The scope of disclosures within this report provides an overview of Pilbara Minerals' entities under operational control from 1 July 2022 to 30 June 2023, with particular focus on Pilgangoora Operations Pty Ltd which owns the Pilgan Plant and Ngungaju Plant located in Western Australia (WA). These entities can be seen in Figure 11.

Material Topics Overview

In FY22, Pilbara Minerals conducted a comprehensive materiality assessment, placing stakeholder engagement at the forefront. The insights gained from this assessment have significantly influenced and shaped the material topics which have remained the focal point of the Company's Strategy throughout FY23. By embedding these material topics, Pilbara Minerals works to apply a rational and prioritised approach within critical areas, fostering continuous improvement as the Company grows.

The Process

Pilbara Minerals' materiality methodology is based on principles from sustainability standards and frameworks, such as the GRI, SASB, and UN SDGs, and incorporating engagement principles from AccountAbility and the International Association for Public Participation.

Using a multi-stakeholder approach, the materiality methodology incorporated a wide range of views and insights, creating a Strategy that captures financial and non-financial outcomes as indicators for success.

Pilbara Minerals' materiality assessment was conducted by an external consultant to allow for objectivity and inclusivity throughout the process. The resulting Strategy responds to stakeholder priorities and the sustainability risks most material to the Company.

A materiality assessment will be conducted every two years and be approved by the Sustainability Committee to ensure Pilbara Minerals' material topics remain current and reflect any changing internal and external conditions.

Identification

Pilbara Minerals purposefully designed a stakeholder engagement plan for its materiality assessment that aimed to identify, reach, and capture a diverse range of stakeholders' opinions. The resultant assessment captured sustainability topics from stakeholder groups including shareholders, financiers, local government, local community groups, employees, and contractors.

Utilising this process, sustainability topics and themes were identified following face to face interviews, phone calls and surveys.

These insights, as well as existing internal processes and industry trends, allowed for a structured and comprehensive approach to topic identification.

Prioritisation

Prioritisation of material issues and the interpretation of significance and urgency was ascertained using internal and external sustainability knowledge, and the Pilbara Minerals context.

Impact scores were given to material issues based on the severity and likelihood of their occurrence, resulting in seven material topics. All material issues identified are of significance to Pilbara Minerals and ranked to provide a greater focus for the Company's sustainability activities.

Pilbara Minerals' material topics reflect the most important topics to the people its business impacts. By doing so, the Company ensures a targeted approach toward addressing the most significant risks and opportunities, fostering a sense of purpose and focus in its sustainability initiatives and objectives.

Figure 12: Materiality Matrix by Sustainability Pillar

Value Our People

2	Health and Safety
5	Inclusion and Wellbeing
7	Traditional Owner Relationships and Opportunities
10	Employee Attraction and Development
11	Partnership and Programs

Sustainable Operations

1	Climate Change and Emissions Reduction
3	Environment and Biodiversity

Responsible and Ethical Actions

4	Technology and Innovation
6	Business Ethics and Transparency
8	Economic Performance and Growth
9	Protecting Human Rights

Stakeholder Engagement

Pilbara Minerals is committed to open, honest and timely communication with its stakeholders.

Pilbara Minerals continued to engage with stakeholders throughout FY23 and track outcomes in identified areas of interest (material topics).

Throughout FY24, the Company will continue to pursue outcomes in these areas. Pilbara Minerals will also update its materiality to ensure that stakeholders' expectations, as well as global sustainability challenges, continue to be identified and addressed.

The Company fosters open, inclusive, and constructive communication, utilising both formal and informal channels, and periodically evaluates and enhances the applied engagement approach to ensure effectiveness.

Pilbara Minerals employs an internal platform to record key communications. This system captures community sentiment and grievances with the Company. By monitoring and addressing feedback, Pilbara Minerals endeavours to maintain positive relationships and contributions to the local community.

Table 11: Stakeholder Engagement Summary

STAKEHOLDER GROUP	ENGAGEMENT PROCESS	TOP AREAS OF INTEREST
Employees and Contractors	Internal communications strategy, formal and informal meetings, induction, and engagement activities – two way and face to face, townhalls, social events, pulse checks, field leadership, communications on policies and expectations, correspondence, newsletters and intranet.	• Health, Safety, Wellbeing, Culture and Inclusion. • Skills, Training and Career Development. • Economy, Procurement and Production.
Traditional Owners	Indigenous Liaison Officer, meetings, calls, site and community visits, correspondence, website, Cultural Awareness Training, Nyamal Aboriginal Corporation board meeting presentations.	• Skills, Training and Recruitment. • Engagement and Participation. • Environment and Biodiversity. • Economy, Procurement and Production.
Shareholders, Potential Investors and ESG Rating Agencies	ASX announcements, annual report disclosing sustainability performance, financial reporting, shareholder meetings, investor calls, roadshows, phone calls, website, meetings, media, and correspondence.	• Economy, Procurement and Production. • Business Ethics and Transparency. • Partnerships and Programs.
Offtake Customers	Meetings, phone calls, correspondence, site and facility visits.	• Economy, Procurement and Production. • Business Ethics and Transparency.
Local and Regional Communities	Meetings, phone calls, correspondence, site and community visits, ASX announcements, events, website, media.	• Skills, Training and Recruitment. • Environment and Biodiversity. • Engagement and Participation. • Business Ethics and Transparency.
Government and Regulatory Agencies	Meetings, phone calls, correspondence, site visits and inspections, ASX announcements, events, website, media, compliance reporting.	• Business Ethics and Transparency. • Skills, Training and Recruitment. • Economy, Procurement and Production. • Environment and Biodiversity. • Aboriginal Engagement and Participation. • Critical minerals
Financial Institutions	Meetings, phone calls, correspondence, site visits, website, media.	• Economy, Procurement and Production. • Strategic Partners and Programs.
Services and Suppliers	Meetings, phone calls, correspondence, site visits, contract and purchasing activities.	• Business Ethics and Transparency. • Economy, Procurement and Production. • Supply Chain and Human Rights.
Industry Associations and Institutions[1]	Meetings, events, working groups, committees, webinars, correspondence, ASX announcements, phone calls, media, websites, feedback on proposed incoming reforms and regulations.	• Business Ethics and Transparency. • Strategic Partners and Programs. • Government Reform and Industry Issues. • Climate Change.
Business Partners	Meetings, interviews, site visits, monthly reporting.	• Economy, Procurement and Production.
Other: Media and Peers	ASX announcements, events, meetings, phone calls, site visits.	• Business Ethics and Transparency • Economy, Procurement and Production • Strategic Partners and Programs.

1. Participation includes key organisations such as the International Lithium Association, Chamber of Minerals and Energy, Chamber of Commerce and Industry WA, Australia China Business Council, Australia Korea Business Council, Port Hedland Industries Council, and the Australian British Chamber of Commerce.

Sustainability Governance

At Pilbara Minerals, the principles of accountability, transparency and efficiency, and fostering higher levels of stakeholder involvement, guide the approach to sustainability. Overall responsibility for sustainability lies with the Board, with delegation of program and initiative oversight to the Sustainability Committee.

Strong governance is key to managing sustainability topics and identifying areas for opportunity and improvement throughout the business. This financial year the Company broadened its governance mechanisms around material topics and formed working groups of internal Subject Matter Experts (SME), who help to identify key initiatives that will result in the biggest impacts.

While the Sustainability Committee is responsible for overseeing the sustainability program, this is not done in isolation. The Board, Audit and Risk Committee, and People and Culture Committee have specific roles and responsibilities in the management and frameworks of risk, compliance, and workforce related matters.

Sustainability policies and strategies approved by the Board and include the following:

- Sustainability Policy.
- Environment Policy.
- Human Rights Policy.
- Modern Slavery Policy.
- Climate Change Position Statement.
- Sustainability Strategy.
- Decarbonisation Strategy.

Sustainability Committee

The Sustainability Committee comprises three independent Non-executive Directors and meets quarterly to discuss overarching topics, initiatives, metrics, and progress against targets.

The objective of the Sustainability Committee is to assist the Board in fulfilling its corporate governance responsibilities and provide leadership and guidance on sustainability principles and practices. It does this by:

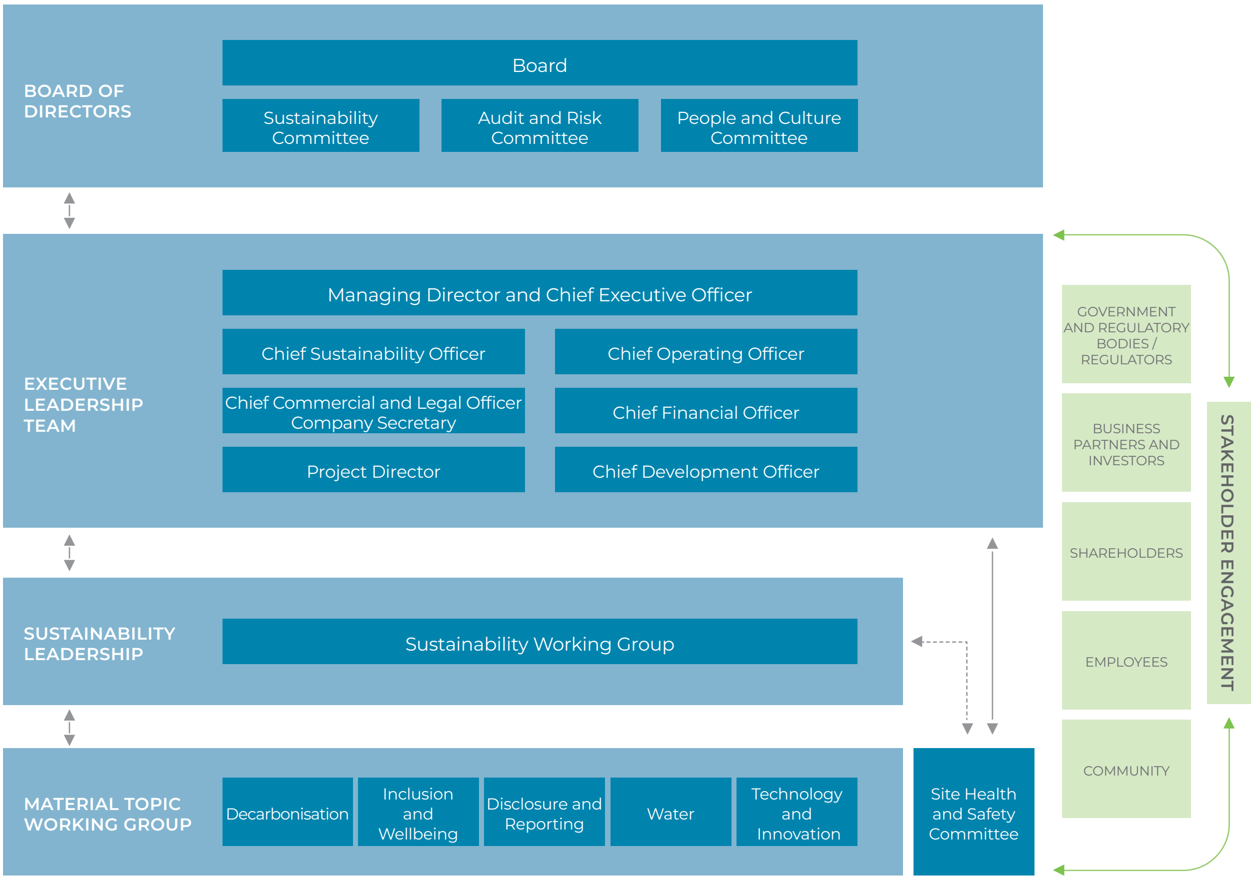
- Monitoring and reporting progress against sustainability commitments and targets.
- Ensuring sustainability risks and opportunities are identified, evaluated, and managed.
- Providing guidance and leadership on emerging topics of interest from investors and the broader community.

The Committee is responsible for the establishment and ongoing review and oversight of the Company's policies and systems relating to:

- Sustainability.
- Environment and community.
- Native Title Agreement and land access and heritage management plans.
- Climate change.
- Ethical business practices including, but not limited to, human rights and modern slavery.

At an operational level, mining and processing activities are governed by a robust regulatory environment and comprehensive internal policies, processes and systems that focus on resource efficiency (including water and land), compliance, stakeholder consultation and continual improvement to minimise impacts.

Figure 13: Corporate Governance Structure



Executive Leadership Team

The Executive Leadership Team manages sustainability matters within the Company, including identifying, evaluating, and managing risks through the Company's risk management framework. Key accountabilities include:

- The Chief Executive Officer (CEO) sets operational priorities and ensures sustainability is integrated into core values, business activities and decision-making.
- The Chief Sustainability Officer (CSO) manages sustainability and climate change aspects, including strategy, programs, execution, performance, and disclosures, addressing climate risks and opportunities.
- The Chief Financial Officer (CFO) supports the allocation of financial resources for sustainability initiatives.

Sustainability Working Group

The Sustainability Working Group is made up of senior leadership and representatives from across the business including sustainability, environment, health and safety, technology, procurement and contract management, finance, people and capability, mining and innovation, projects and commercial.

The Sustainability Working Group meets once a quarter, at a minimum, and oversees the implementation of the Strategy as approved by the Sustainability Committee. This includes tracking progress within the material topics and recommending any changes to this Strategy when required.

Material Topic Working Groups

To support the Company progress priority initiatives from the Strategy, Material Topic Working Groups, made up of internal SMEs, meet monthly unless otherwise agreed.

A Senior Sustainability Advisor chairs the Material Topic Working groups to help ensure consistency and integration with other initiatives in the Strategy, and more broadly the Sustainability Working Group. With the exception of the Site Health and Safety Committee, which is led at the operational level and has been in place for a number of years.

Table 12: Material Topic Working Groups

MATERIAL TOPIC WORKING GROUP	FOCUS OF THE GROUP	PRIORITY ACTIVITIES
Disclosure and Reporting	Progressing the sustainability disclosure roadmap and review of data capture processes to enhance reporting.	• Align disclosure with emerging standards. • Review current data capture systems and processes. • Review sustainability metrics and targets.
Water	Review how water-related data and information is collected, monitored and verified.	• Holistic water balance. • Water conservation and efficiency. • Assessing water intensity.
Decarbonisation	Progress decarbonisation pathway and monitoring carbon emissions.	• Implementation of an internal carbon price. • Coordinate initiatives to support decarbonisation plan e.g., power study. • Life cycle assessments.
Technology and Innovation	Investigate future technology or innovation-based activities that address business need.	• Investigate future technology / innovation and develop framework. • Identify solutions which address business challenges.
Inclusion and Wellbeing	Pursue actions that make Pilbara Minerals a great place to work, instil a sense of company pride and create an environment where everyone feels included, valued, and supported.	• Create an inclusive and fun environment. • Attract and retain a diverse workforce. • Celebrate and acknowledge cultural diversity. • Support physical and mental health. • Facilitate work-life balance. • Foster a safe and respectful environment.
Site Health and Safety Committee	Support the implementation of the Health and Safety Management System and help promote a health and safety culture within the site-based work-force.	• Review safety incidents. • Support operational teams. • Communicate health and safety information to site management.

Risk Management

Pilbara Minerals has an established process to identify, assess, mitigate, and manage risks. Early identification of risks and the establishment of effective controls to mitigate risks is done through a preliminary review process where emerging themes are raised, monitored, and matured, with controls added in response to the nature and urgency of the potential risk.

The Company's Enterprise Risk Management Framework aligns with International Standard ISO 31000:2018 to proactively identify, assess, evaluate, and treat risks by undertaking structured and formal project risk reviews. Through this Risk Management Framework, Pilbara Minerals develops and deploys risk management practices and integrates risk management into its corporate governance and business management processes.

The Board and Audit and Risk Committee membership comprise a diverse combination of skills that add value to the risk management function. Board members regularly communicate with management in relation to risks and are actively involved in understanding emerging issues.

The Board maintains oversight of the Company's risk management processes through the Audit and Risk Committee. The coordination of risk information, monitoring and review is assigned to the role of the Group Manager – Risk and Compliance who reports to the Executive Leadership Team and the Audit and Risk Committee. Senior management is responsible for the day-to-day management of risks as per nominated accountable lines in the risk platform. During FY23, 40 new employees were trained in company risk practices.

The annual review of Pilbara Minerals' Enterprise Risk Management Framework looked to strengthen risk assessments by identifying improvements to the risk analysis table. These improvements included:

- Updating existing impact category descriptors to better align with ESG objectives.
- Introducing a production loss category to provide an additional practical measure for operational teams.

Key Risks and FY23 Controls and Actions

Pilbara Minerals continued to proactively monitor many risks during FY23.

For the purposes of this report, key Pilbara Minerals' sustainability risks are outlined in the table below. Within the sections of this report, the Company discloses further detail in respect to governance, risk identification and the management of sustainability risks. Material business risks are discussed in more detail on pages 24-25 of this report.

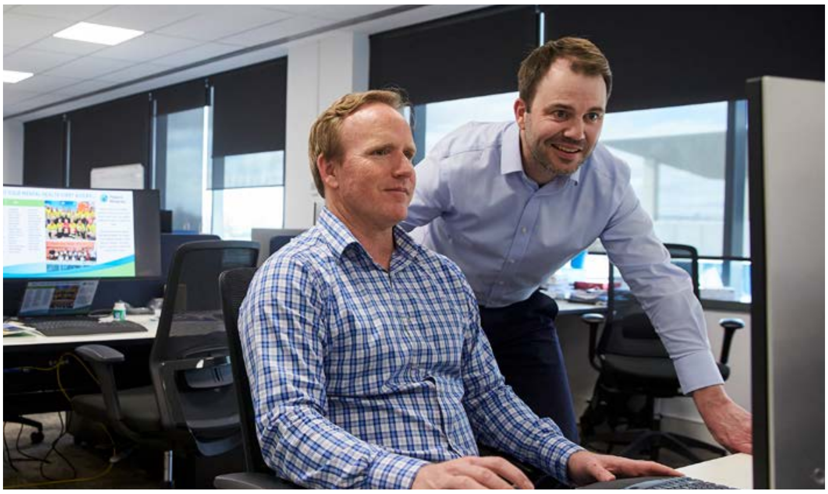


Table 13: FY23 Key Sustainability Risks

RISK	CONTROL
Workforce attraction and retention	• Incentive and bonus schemes. • Family friendly rosters and working conditions. • Training and career pathway opportunities. • Upgrades to villages, facilities, and amenities. • Increased marketing strategies. • Culture, inclusion and leadership development.
Supply chain/logistics	• Inventory level reassessments and adjustments to ensure critical spares availability. • Increased footprint for correct storage and preservation. • Sourcing additional suppliers.
Workforce health and safety	• Risk Management Framework. • Frontline leadership development. • Education and training. • Internal auditing of key contractor systems and practices. • Inclusion and wellbeing working group.
Cyber security	• Training and awareness. • Enhancements to software / hardware controls. • Multi-factor authentication. • Policy updates.
Employee relations	• Frontline leadership and management training. • Chamber of Commerce and Industry WA engagement.
Dust mitigation	• Ongoing dust monitoring and communication. • Education and awareness. • Dust suppression.
Climate change	• Sustainability Strategy. • Decarbonisation pathway. • Solar power plant.

Emerging Risks

Pilbara Minerals proactively monitors emerging risks and evolving industry trends which may become material over time. The aim is to ensure long-term resilience, sustainable growth, and optimal future performance for the Company.

Emerging risks currently being considered include:

- Competing technologies in battery storage applications.
- Industry activity including mergers and acquisitions.
- Evolving ESG landscape, increasing stakeholder expectations and reporting obligations.

By closely evaluating emerging risks the Company is well positioned to adapt and maintain resilience in changing market dynamics.

Internal Audits

Conducting internal audits is a key pillar of good governance within a business. The role of an internal audit is to provide independent assurance (as a third line of defence) that an organisation's risk management, governance, and internal control processes are operating effectively.

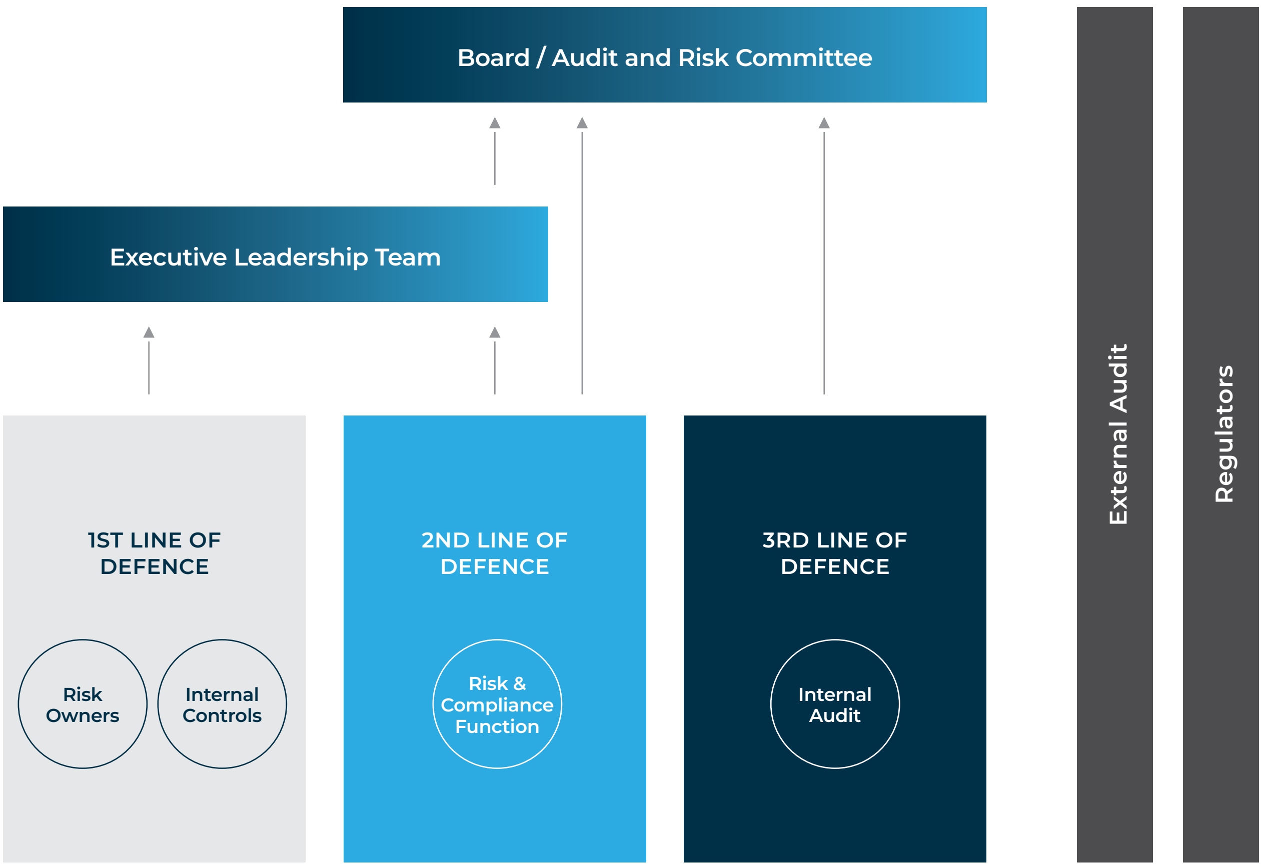
Pilbara Minerals has an established internal audit function which seeks to provide assurance that risk controls are implemented and being effectively deployed.

As part of the annual Enterprise Risk Management Framework review, the Company conducts a number of internal audit initiatives which are generally linked to business risks.

Audits completed during FY23 included:

- Site cyber security review.
- Workforce governance.
- Product and logistics.
- Capital approvals and monitoring.
- Supply chain and vendor onboarding.
- Contractors and contractor systems.

Figure 14: Internal Audits Contained Within Risk Lines of Defence



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Information Technology and Cyber Security

Pilbara Minerals recognises the importance of rigorous information technology and cyber security practices with information security performing the following four important functions:

- Protects the Company's ability to function.
- Enables the safe operation of applications implemented on the Company's information technology systems.
- Protects the data the Company collects and uses.
- Safeguards the technology assets used by the Company.

The Board has oversight of Pilbara Minerals' cyber security processes. Any potential risks are reported up to the Audit and Risk Committee and are a standing agenda item.

The CFO is the Executive Leadership Team member accountable for information technology and cyber security, including:

- Data security incidents, breaches or matters of non-compliance.
- Information systems and security.
- Information backup and data recovery processes.

Pilbara Minerals has an Information Security Policy which ensures its information systems are recognised as an asset and appropriately managed to ensure integrity, security, and availability. This Policy is reviewed every two years and applies to all users of the Company's information systems.

Pilbara Minerals' Technology team is responsible for implementing all the necessary processes and procedures to support adherence to the Information Security Policy, including:

- Ensuring networks are maintained.
- Testing of controls.
- Facilitating training on security protocols.
- Assessing the information security environment and making improvements.

An enhanced cyber security training course was rolled out in FY23.

A new Cyber Security Response Plan was developed to protect Pilbara Minerals' information, as well as the information of its clients and employees. To ensure this plan remains effective in a rapidly changing environment a testing regime will be implemented in FY24.

To ensure business continuity, information technology has been embedded into the Business Continuity and Disaster Recovery processes. During FY24, the review and upgrade of all technology infrastructure and networks will continue to build resilience within the systems to reduce reliance on backups and disaster recovery plans.

Pilbara Minerals tests the strength of its policies and procedures via regular training exercises and tests (e.g. phishing tests). This helps to identify gaps in the process and informs future training requirements.

All new suppliers are required to complete a cyber security checklist, which covers the key areas of systems, applications, data access and integration information.

Business Ethics and Transparency

Committed to maintaining and enhancing corporate governance.

Highlights

Developed Human Rights Policy

Delivered employee training programs in modern slavery and procurement legislation

Third party platform assessment of 50 suppliers and contractors

Pilbara Minerals understands the long-term benefits of maintaining the highest standard of business ethics and good governance practices. The Company is committed to maintaining and enhancing corporate governance and working in compliance with relevant laws and regulations in its operational jurisdictions. This commitment is supported by a Code of Conduct which reflects the Company's values and provides a clear framework on how business is conducted at Pilbara Minerals.

Responsibility for the Company's strategy and governance framework rests with the Board and Management Team, and is supported by three Board committees that assist the Board to effectively discharge its duties:

1. Audit and Risk Committee.
2. People and Culture Committee.
3. Sustainability Committee.

The Company's governance framework also comprises various policies including:

- Code of Conduct.
- Continuous Disclosure.
- Securities Trading.
- Shareholder Communications and Investor Relations.
- Compliance Policy and Framework.
- Anti-Bribery and Corruption Policy.
- Confidentiality and Conflict of Interest Protocols.
- Inclusion and Diversity Policy.
- Remuneration Policy and Framework.
- Risk Management Policy and Framework.
- Sustainability Policy.
- Climate Change Position Statement.
- Whistleblower Policy.
- Modern Slavery Policy.
- Human Rights Policy.

Business Ethics and Transparency Legislative Context

The reporting period saw significant developments in sustainability reporting frameworks both in Australia and overseas. These initiatives are aimed at establishing a common baseline of reporting standards to enhance transparency and accountability for ESG performance.

Pilbara Minerals is committed to strengthening sustainability disclosure year on year and will prioritise ISSB readiness in conjunction with relevant ESG regulatory reporting requirements.

Pilbara Minerals' Anti-Bribery and Corruption Policy sets out the obligations for all employees and third parties with respect to bribery and corruption. The Company expects all its associated parties to conduct business in line with Pilbara Minerals' values, and with integrity, honesty, and fairness, while always observing the rule and spirit of the legal and regulatory environment in which it operates.

Operation and Supply Chain

The Pilgangoora Operation is located 120 km south of Port Hedland in WA's Pilbara region and is situated on the traditional lands of the Nyamal and Kariyarra Peoples. The operation is 100% owned by Pilbara Minerals and has been operating commercially since 2018.

The Pilgangoora Operation mines and processes lithium ore to produce spodumene and tantalite concentrates. Spodumene concentrate is used in the manufacture of lithium-ion batteries that power clean energy technologies, such as electric vehicles and energy battery storage, as well as other uses.

After processing, the spodumene concentrate is trucked to Port Hedland and then shipped to customers in North Asia, while the tantalite concentrate is trucked to a customer in the South-West of WA.

Business Relationships

Downstream Lithium Chemical Facility

In April 2022, Pilbara Minerals finalised a JV in South Korea with POSCO to develop a 43,000 tpa per annum Lithium Hydroxide Chemical Facility in Gwangyang, South Korea.

The JV places Pilbara Minerals and POSCO in a strong position to participate in the chemical conversion industry as one of the few near-term lithium chemicals producers outside of China, with raw materials supply underwritten from the Pilgangoora Operation.

Mid-stream Demonstration Project

Following the award of a $20M grant from the Australian Government, Australian environmental technology company Calix Limited and Pilbara Minerals entered into an unincorporated JV to support the development of the Mid-stream Demonstration Plant.

Pilbara Minerals' Value Chain

As at June 2023, Pilbara Minerals directly employed 768 permanent and fixed term employees and approximately 69 contractors.

Direct employees carried out duties onsite which included management, administration, mining and processing activities. Onsite contractor duties included services such as mining, crushing, transportation, camp facility management, power generation and laboratory assays.

Pilbara Minerals actively seeks to partner with suppliers who share the same values in supporting ethical and responsible supply chains.

Supply Chain Key Risks and Controls

Pilbara Minerals actively seeks to partner with suppliers who share the same values in supporting ethical and responsible supply chains.

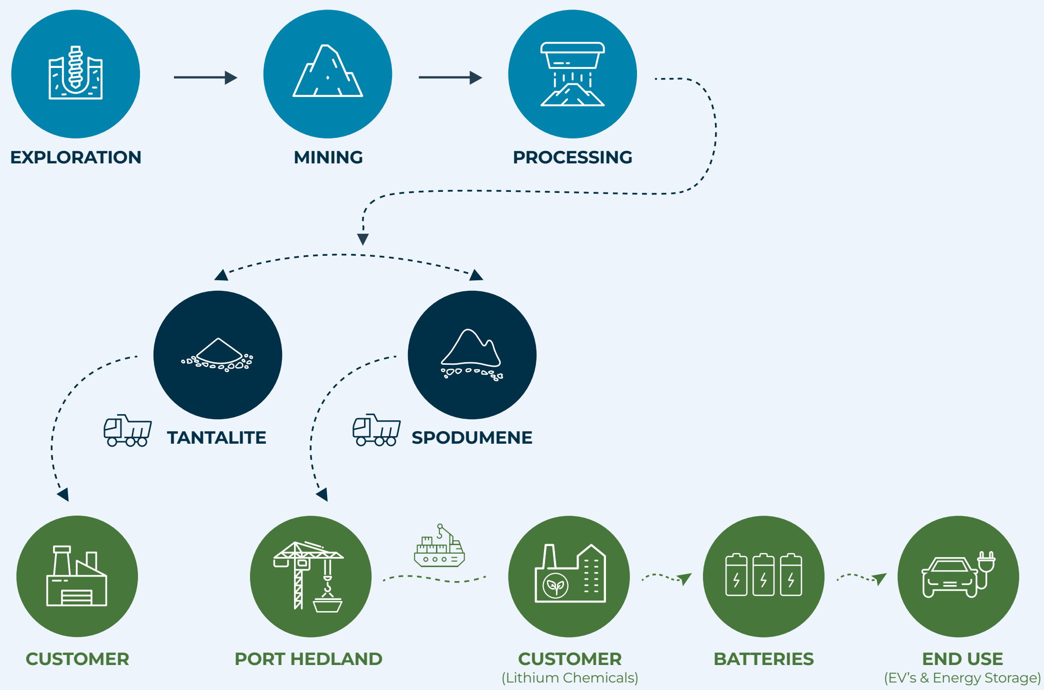
To support the identification of potential high exposure regions / products, Pilbara Minerals conducts a pre-qualification phase risk assessment upon engagement of a supplier, with additional ongoing risk assessments for suppliers identified as higher risk (determined by country of origin or industry sector).

Grievance Mechanisms

The Company is committed to fostering a culture of corporate compliance, ethical behaviour, and good corporate governance.

The Stakeholder Grievance Procedure plays a critical role in ensuring any stakeholder concerns are heard, investigated and responded to by the Company within an appropriate timeframe.

Figure 15: Pilbara Minerals' Value Chain



Pilbara Minerals' employees are encouraged to raise any concerns about actual or potential misconduct without fear of reprisal or intimidation via the Company's Whistleblower Policy and external whistleblowing platform. This platform enables all officers, employees, and contractors to report any wrongdoing confidentially and anonymously.

While the above outlines the formal process, the Company's strong focus on frontline leadership and an open-door culture strives to ensure management is approachable and accessible to everyone.

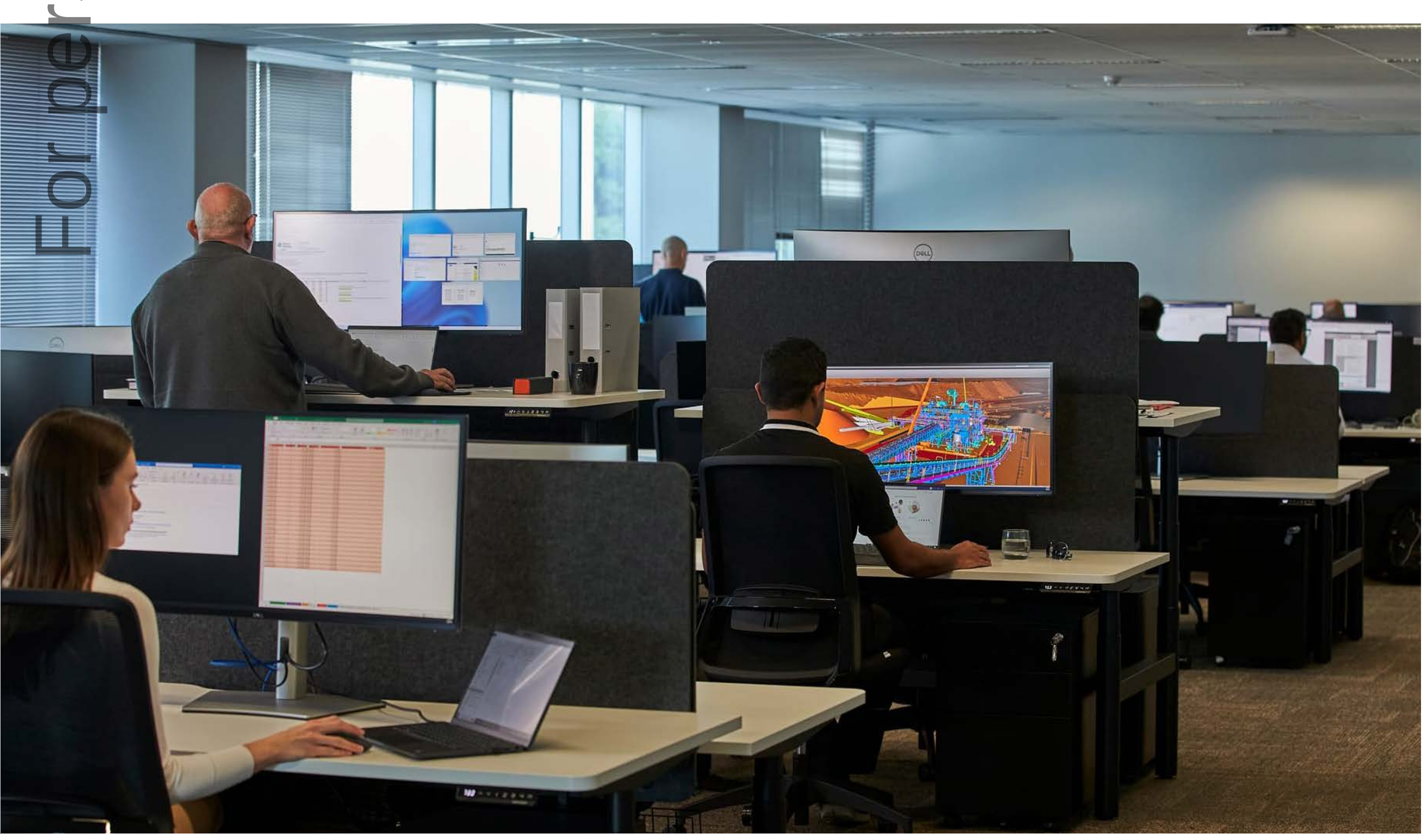
During FY23, Pilbara Minerals received a total of six reports, all through the platform. Each of these reports underwent a thorough investigation, and proactive measures were taken as appropriate. None of the six reports were considered to be protected disclosures for the purposes of the whistleblower provisions in the *Corporations Act 2001 (Cth)*. The reports encompassed a variety of concerns, including one report of alleged sexual harassment, three cases involving personal work-related grievances, and two general and anonymous employee complaints. The report of alleged sexual harassment related to personnel of a contractor. The Company's response to this incident involved a review of the investigation process undertaken and the implementation of additional reporting procedure training for all contractors. Of the three cases of personal work-related grievances, one resulted in formal disciplinary action and two were resolved through appropriate coaching, training and leadership interventions. The Company aims to continuously improve reporting mechanisms and foster a safe, respectful, and inclusive work environment for all stakeholders.

Human Rights

Pilbara Minerals recognises it has a role to play in identifying and influencing its supply chain to support the elimination of modern slavery practices, which include slavery, servitude, human trafficking, debt bondage, child labour, deceptive recruiting for labour or services and forced or compulsory labour.

For Pilbara Minerals, procuring goods and services ethically is not only a responsible business practice, but also a regulatory requirement under the Modern Slavery Act. The Sustainability and Audit and Risk Committees monitor modern slavery risks and management measures.

A Human Rights, Modern Slavery and Sustainability Policy are in place and overseen by the Sustainability Committee. These policies, coupled with Pilbara Minerals' Code of Conduct, set out expectations and provide a framework to ensure the Company defines, identifies, and manages modern slavery risks within its supply chains.



Human Rights Policy

Pilbara Minerals introduced a Human Rights Policy during the reporting period. The adoption of the policy included consideration of the following elements:

- Embedding the responsibility to respect human rights and Pilbara Minerals' position on this through all business functions and within its supply chain.
- Identifying gaps and highlighting risks that the business may need to address.
- Formalising and disclosing a commitment to respect and support human rights.
- Increasing trust with stakeholders and the communities in which the Company operates.
- Meeting the requirements of relevant disclosure and reporting frameworks.

The next step is the development of an action plan to embed the Human Rights Policy and its principles into standard practice. These actions are currently being reviewed in consideration of, and in alignment with, the Company's Modern Slavery Policy.

Modern Slavery Policy

In March 2023, Pilbara Minerals' Modern Slavery Policy was updated and approved by the Board.

The Company's commitments in relation to modern slavery include:

- Evaluation of current controls for risk identification and management.
- A review of the effectiveness of existing training and an increase in awareness of modern slavery amongst employees, particularly those in key procurement roles.
- The development of a modern slavery roadmap to guide ongoing refinement and integration of processes throughout the business.
- A deeper assessment of modern slavery exposure of those companies identified as having increased potential risks.

Regular modern slavery training ensures employees are aware of the current regulatory environment in Australia (*Commonwealth Modern Slavery Act 2018*) and understand modern slavery.

Having this knowledge enables them to identify and review risks within the supply chain.

To review the effectiveness of existing training the following actions were undertaken in FY23:

- Review of training content and delivery.
- Peer review of modern slavery training to ensure proposed structure meets peer benchmarking standards.
- Review of legislative requirements, including the establishment of an Anti-slavery Commissioner.
- Assessment of organisational charts to identify roles and responsibilities most likely to interface with modern slavery.
- Implementation of changes and roll out of updated training program.

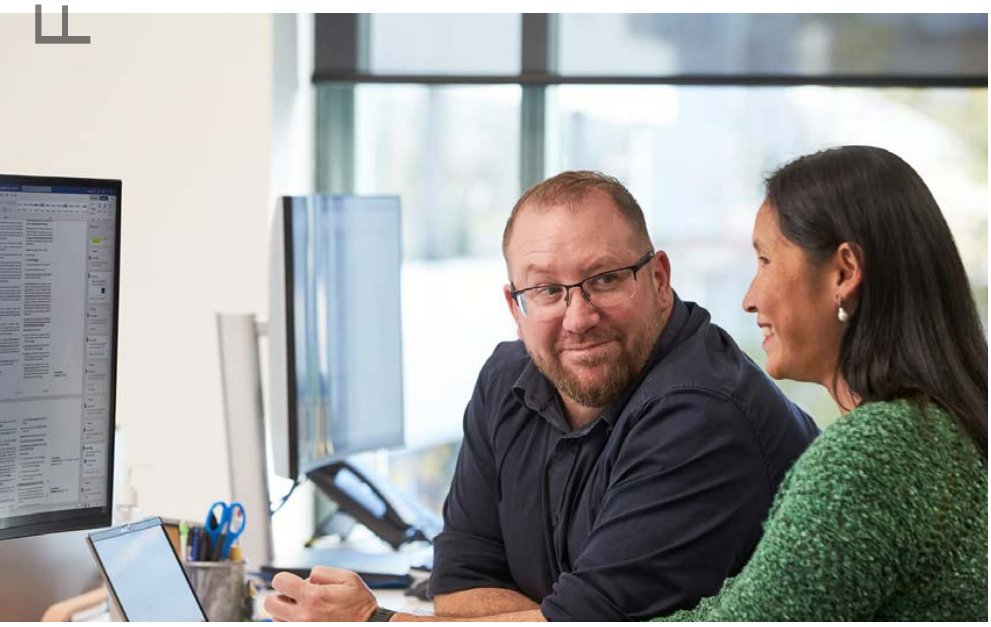
Additionally, in FY23 Pilbara Minerals engaged a third party to undertake an assessment of up to 50 suppliers and contractors to pilot the use of an enhanced modern slavery risk screening and assessment software.

Contracts and Procurement Management

The Contracts and Procurement team has introduced several new lead roles to increase resources and support for category management and strategic sourcing for the business across mining, exploration and non-process infrastructure.

Additionally, Pilbara Minerals commenced implementation of a new vendor management and onboarding system. This initiative focused on streamlining Pilbara Minerals' new vendor Management and onboarding system experience and reporting capability around modern slavery, cyber security, and other key focus areas for the business.

Inhouse training was provided to the Contracts and Procurement team with respect to the new *Building and Construction Industry (Security of Payment) Act 2021*, as well as the *Personal Properties Securities Act 2009*.



Pilbara Minerals commenced implementation of a new vendor management and onboarding system.

Inclusion and Wellbeing

Cultivating a workforce that embraces diversity.

Highlights

78%

Overall engagement score achieved in culture survey

Continued roll out of Safe and Respectful Behaviours training

Established an Inclusion and Wellbeing Working Group

Pilbara Minerals recognises the importance of cultivating a workforce that embraces diversity, where individuals from all backgrounds are not only valued and respected, but also empowered through inclusive business practices. This creates a good working environment where people can bring their whole self to work, drives innovation, improves performance and delivers successful outcomes.

Pilbara Minerals' Board oversees diversity and inclusion, facilitated through the People and Culture Committee and ELT. The Company's commitment to diversity and inclusion is reinforced through its Inclusion and Diversity, and Human Rights Policies.

Workplace and Employment Regulations

Pilbara Minerals' policies and procedures adhere to Australian and Western Australian legislation in respect to discrimination. These include:

- *Fair Work Act 2009*
- *Age Discrimination Act 2004*
- *Disability Discrimination Act 1992*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Equal Opportunity Act 1984*

Pilbara Minerals has a Workplace Discrimination, Bullying and Harassment Procedure, which covers all facets of unacceptable behaviour including workplace bullying, harassment, and discrimination. The Procedure describes the roles and responsibilities of all workplace participants, as well as the formal complaints process.

In February 2023, Pilbara Minerals updated the Leave Procedure to include paid family and domestic violence leave and the definitions of family and domestic violence, aligned with the *Fair Work Amendment (Paid Family and Domestic Violence Leave)*. These changes ensure employees have clear guidance and access to their rights and entitlements in this area.

Key Risks and Controls

The potential for elevated employee turnover and an inability to attract key talent in a highly competitive labour market was considered a risk for Pilbara Minerals in FY23. Some of the controls put in place included continuation of incentive schemes, employee referral scheme, promotion of the Company through an employee attraction campaign, and establishment of an Inclusion and Wellbeing Working Group.

Several employee social events and programs were held to support working parents and gender diversity and enable FIFO employees' families to build their social networks and understand more about FIFO life. These events included on-site family days, women's networking events, and school holiday programs.

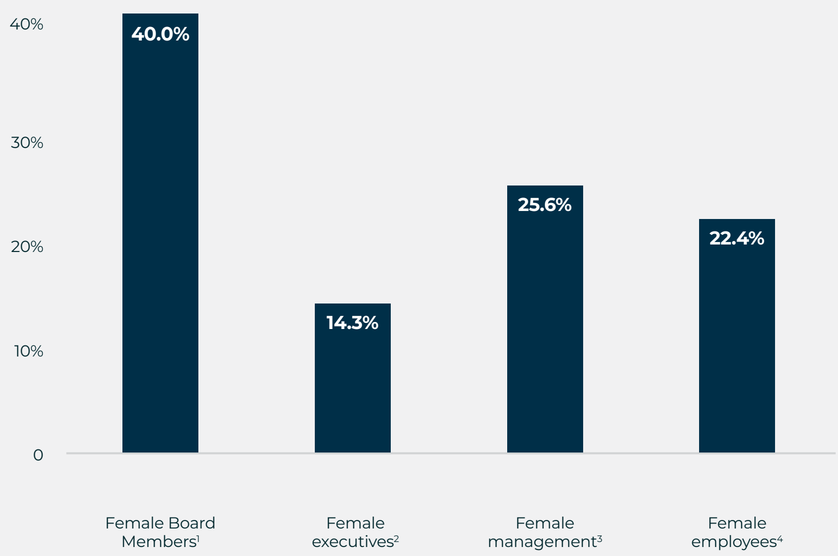
Psychosocial stressors have the potential to negatively impact employee and family wellbeing, as well as workplace absenteeism and productivity. Pilbara Minerals continued to offer its Employee Assistance Program (EAP) and has expanded its support mechanisms to include a 24/7 chaplaincy function, implementation of a Psychosocial Management Plan, and psychosocial risk and control training, to further support a safe and healthy workplace.

Diversity and Inclusion

During FY23, the workforce increased significantly from 431 employees[1] in FY22 to 768, representing a growth rate of 78%. The proportion of employees who identify as female slightly decreased in FY23 to 22.4% (mining industry average ~20.0% as per the industry benchmark identified in Workplace Gender Equality Agency (WGEA) Australia's Gender Equality Scorecard 2021-22), which is below the Company's targeted percentage of 24%. Despite the decrease, the Company has made positive steps towards female representation with female appointments and / or promotions across six key senior leadership positions and 6.6% absolute improvement in female voluntary turnover (on a rolling 12-month basis) in June 2023.

Pilbara Minerals' WGEA Report (reporting period to April 2023) can be found in the Corporate Governance section of the Company's website.

Figure 16: Female Representation



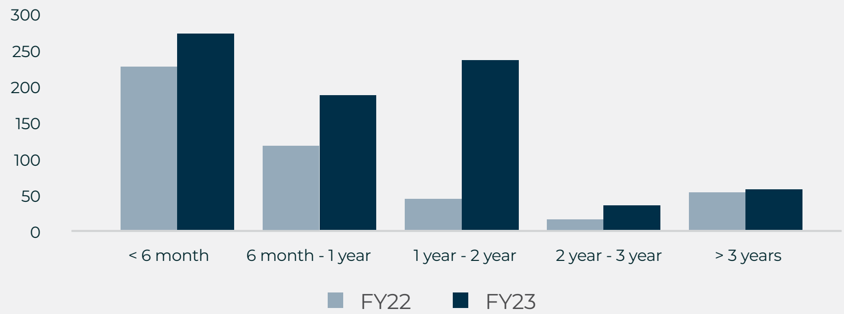
1. Excludes the Managing Director and CEO. Female representation on the Board is 33.3% when including the Managing Director and CEO.
2. Executives are categorised at the Company's executive leadership team and include the Managing Director and CEO.
3. Includes heads of Department, Managers and senior positions.
4. Includes permanent, maximum-term and casual employees.

Figure 17: Age Profile

The distribution of new hires by age remained stable with 16% aged under 30 years and 27% aged 50 years and over.

The age profile of Pilbara Minerals' employees remained relatively unchanged between FY22 and FY23, even as the Company expanded dramatically.

Figure 18: Tenure



The tenure profile of Pilbara Minerals' employees has changed reflecting the retention of new employees recruited during the significant workforce expansion in FY23.

Significant increase in those remaining with the Company for one to two years.

1. FY22 Annual Report employee number included 21 Contractors backfilling approved and funded employee roles; for FY23, Contractors have been excluded, and only employees filling approved roles have been included.

Culture and Engagement Survey

Pilbara Minerals has experienced significant growth over the last few years. In recognition of the impact such growth can have on culture, the Company began formally measuring organisational culture in FY23. This annual measurement of culture will enable performance to be tracked.

To maintain employee anonymity and encourage honest and open feedback, Pilbara Minerals engaged a third party to undertake a measurement of the current culture. A culture survey was conducted in October 2022 for which participation rates were 87%, above industry standard. The inaugural survey delivered a positive result, achieving an engagement score of 78%, based on employees' motivation, connection, and enthusiasm.

While this was positive, several areas were identified for improvement, including strengthening communication, planning, processes, systems and structures as the Company continues to grow.

Pilbara Minerals continues to work with senior leaders to understand the results and identify improvement areas. Each business function was provided a detailed breakdown of results for their area and empowered to work together on initiatives to improve culture within their teams and across the Company more broadly.

Inclusive Working Conditions

Pilbara Minerals recognises the advantages and opportunities that come with workplace flexibility, creating an environment that supports work-life balance and the juggle of work and family responsibilities. To this end, the Company offers options for employees with respect to their working conditions, some of which are outlined below:

Parental Leave – to support employees, the Company offers paid parental leave and a return-to-work lump sum amount following the birth or adoption of a child. In FY23, nine employees took parental leave, six male and three female.

Work Flexibility - The Company has implemented a workplace flexibility strategy that supports various options for eligible employees with respect to their working hours. This includes flexible hours of work, part-time positions and job-sharing opportunities.

School Holiday Program - Knowing that finding childcare over the holidays can be challenging, Pilbara Minerals implemented a school holiday program in partnership with KidsCo, an Australian organisation empowering greater balance for working parents during school holidays.

Promoting Gender Diversity

Pilbara Minerals is committed to continuous improvement in equality and equity in the workplace. To support this, the Company has implemented programs and provided internal and external engagement opportunities for employees. In FY23, there was a significant focus on supporting and encouraging gender diversity within the workplace. Key initiatives from FY23 included:

Gender Pay Gap Review - In accordance with the WGEA reporting method, the Company reduced the gender pay gap by 6.7% compared to the previous reporting period (FY22). Additionally, Pilbara Minerals conducts annual gender pay equity reviews to ensure employees receive equitable pay in like for like positions.

Women in Mining Mentoring Program - Four Pilbara Minerals' female employees were selected to participate in the Women in Mining Mentoring Program in FY23, a structured mentoring program designed to support women to develop the skills required to grow and advance their careers.

Women of Pilbara Networking - A formal female networking group called 'Women of Pilbara' was established, hosting quarterly events on-site to encourage networking, empowerment, peer to peer learning and the development of an inclusive support network for female employees across various teams and contractor partners.

Industry events - Pilbara Minerals continued to sponsor and provide opportunities for its employees to attend industry led events such as Women in Mining WA, as well as encouraging future female employees into the mining industry by supporting Curtin University's Girls Engineering Tomorrow site visits.

International Women's Day - Pilbara Minerals celebrated International Women's Day with events on site and in the Perth office to acknowledge the important role women play in the Company. Board members Miriam Stanborough and Sally-Anne Layman spoke to teams in Perth and on-site about their experiences as female leaders.

Programs and Initiatives

Pilbara Minerals has undertaken a number of inclusion and wellbeing related program initiatives in FY23.

CASE STUDY

Pilbara Purpose Awards

Launched in June 2022 as a formal reward and recognition initiative, the Pilbara Purpose awards invite peers to nominate each other for going above and beyond the six commitments that underpin the Pilbara Purpose, allowing positive work behaviours to be publicly recognised. In this reporting period there were 181 nominations and 17 winners recognised.

Pilgangoora Family Day

Pilbara Minerals welcomed families to its Pilgangoora Operation for the first time in FY23, hosting two family days where employees and contractors showcased their unique workplace to provide a better understanding of life on site.

A range of activities were held including tours of the pit and processing plants, and an interactive display by the Emergency Response Team.

Graduate Program

The launch of Pilbara Minerals' inaugural Graduate Program in September 2022 reflects the Company's approach to developing a pool of technical talent to support the industry's growth. The first intake, which commenced employment in January 2023, included seven graduates specialising in the metallurgy, mining engineering, and mechanical engineering disciplines.

In January 2024, the second cohort of 11 graduates will commence employment with Pilbara Minerals. This second intake has expanded the technical disciplines to include electrical engineering, geology, and environmental science, with 33% female participation.

The two-year structured program includes technical rotations across various disciplines and is designed to provide a comprehensive understanding of operations, as well as exposure to different areas of expertise. This approach allows the graduates to gain valuable insights and experiences which contribute to their overall professional growth.

To support graduates' development, the program incorporates scheduled development days every six months. This ensures the graduates receive structured learning opportunities and feedback throughout their journey, further enhancing their skill sets.

An essential aspect of the program is the inclusion of membership to the Australasian Institute of Mining and Metallurgy. This membership offers graduates the opportunity to attend one technical conference per year and access to networking events.

A survey of current graduates resulted in a satisfaction rating of 100%. This provides an early indication of the program's success in meeting expectations and delivering a positive experience.

Overall, Pilbara Minerals' Graduate Program is proving to be a valuable initiative for developing technical talent by providing an enriching experience for graduates and contributing to the growth and development of a skilled and diverse workforce.

Health and Safety

'Safety Matters' underpins Pilbara Minerals' operational philosophy, encompassing physical and mental wellbeing.

Highlights

2.9

Field interactions rate - exceeding target of 2 interactions per 1,000 hours work

2

Psychosocial Hazards and Risk Management Workshops

91%

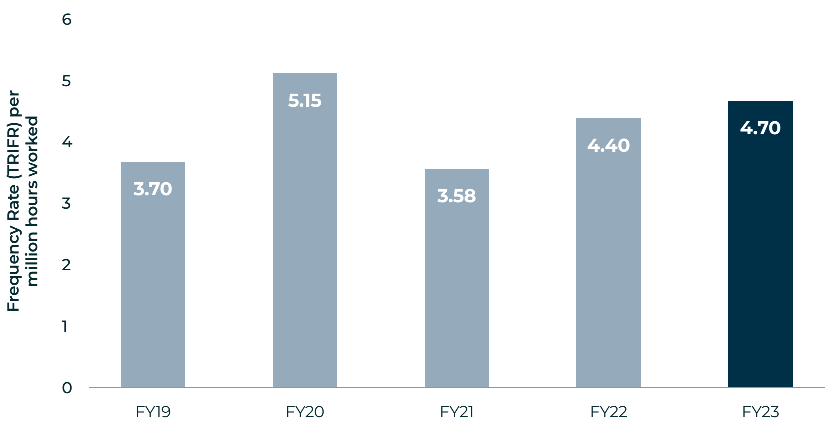
of line leaders trained in Critical Risk Management

'Safety Matters' underpins Pilbara Minerals' operational philosophy, encompassing physical and mental wellbeing. Pilbara Minerals recognises that only by taking a holistic approach to safety can the Company continue to operate safely and build a healthy and resilient workforce.

Pilbara Minerals' Board oversees the establishment and ongoing review of the Company's work health and safety policies and management systems and their performance, as mandated in the Board Charter. A Health and Safety Policy, which applies to all employees, contractors and visitors is reviewed and endorsed annually by the Board to continually improve health and safety performance.

Pilbara Minerals' Safety Management Framework provides the structure for implementing

Figure 19: Total Recordable Injury Frequency Rate



health and safety controls. A site-based Health and Safety Committee incorporates members from operations, supporting functions and contractors. Central to their role is promoting a strong health and safety culture, reviewing safety incidents, supporting the workforce, and providing feedback to site leadership.

The Work Health and Safety Act was introduced in WA on 31 March 2022, replacing the *Occupational Safety and Health Act 1984* and the *Mines Safety and Inspection Act 1994*. Pilbara Minerals engaged an external auditor to conduct a gap analysis of its current health and safety framework against the newly introduced legislation. The scope of this project comprised a review and subsequent update of all health and safety documentation, systems and processes in line with the recommended actions. The external auditor will be engaged throughout FY24 to verify that all required actions have been addressed.

Further, in FY23 Pilbara Minerals made changes to its organisational structure, creating a new Head of Health and Safety role and two chaplain roles.

Key Risks and Controls

The Health and Safety team, who report through to the Chief Operating Officer are accountable for the identification of health and safety hazards and risks in the Enterprise Risk Register (ERR). Risks are managed through the Critical Risk Management Framework. See Risk Management, page 66 for further detail.

Safety Overview

Throughout FY23, there was an increased focus on quality safety interactions (which consist of Interactions, Critical Control Verifications and Planned Task Observations) in the field as monitored by the safety interactions quality assurance system. Leading indicators such as these are tools for supporting a strong safety culture, increasing safe behaviours, and reducing instances of unsafe acts. The Safety Team led a series of sessions to create a better understanding of what makes a quality interaction.

Safety interactions averaged at a rate of 2.9 across FY23, exceeding the Board's approved target of two interactions per 1,000 hours work.

The Company's Total Recordable Injury Frequency Rate[1] (TRIFR) increased from 4.40 in FY22 to 4.70 FY23. This increase was influenced by a significant and rapid workforce expansion. One lost time injury was sustained over the year and investigated resulting in a Lost Time Injury Frequency Rate[1] (LTIFR) of 0.31.

A key milestone in the period was the commencement of Critical Risk Management (CRM) training for all leaders within the Pilgangoora Operation, including contract partners.

1. TRIFR and LTIFR calculated per million hours worked.

The focus for FY24 is to ensure that Pilbara Minerals has the appropriate health and safety structure in place to support its growing operation and the construction programs it has underway, as well as the continued development of the Company's systems and processes.

Critical Risk Management

During FY23, a series of mandatory CRM training workshops were run for more than 60 front line leaders and contracting partners within the Pilgangoora Operation. Refer to Case Study - Critical Risk Management Training for further detail.

Emergency Response Management

Pilbara Minerals' Emergency Management Plan (EMP) informs the business on how to safely respond to emergency situations should they occur at the Pilgangoora Operation.

The EMP is supported by procedures which outline roles and responsibilities and the processes to follow under specific emergency situations. These have been developed in accordance with DMIRS guidelines.

An Incident Management Team is responsible for escalating major or critical incidents and supports the site Emergency Response Team in their tactical efforts to mitigate the impact of emergency incidents. Representatives from Pilbara Minerals participate in regional emergency management discussions through quarterly Local Emergency Management Committee meetings.

Cyclone Management Plan

In addition to the EMP, Pilbara Minerals has a Cyclone and Wet Weather Management Plan. The purpose of this plan is to outline the preparedness, response, and recovery requirements relating to cyclone and wet weather management, ensuring that the welfare of the workforce and the integrity of assets is not compromised.

The Cyclone and Wet Weather Management Plan applies to all activities associated with the Company's operations and forms part of the overall EMP. It is implemented across the Pilgangoora Operation for the duration of the Pilbara cyclone and wet season (i.e. 1 November through to and including 30 April). The Plan includes roles and responsibilities across the organisation, communication procedures, response and escalation steps, preparedness activities and activity checklists.

Emergency Response Training Exercise

Pilbara Minerals' Emergency Response Team undertook six scheduled training exercises on site across the financial year.

These regular training exercises ensure the team is prepared for an emergency by applying the skills they have learnt and practiced, helping them to be responsive and adaptable in the face of an emergency situation.

Health and Hygiene Management

Pilbara Minerals has in place a Health and Hygiene Management Plan and Health Surveillance Program designed to control occupational health and hygiene hazards.

Occupational Health Risk Assessments (HRA) are undertaken for the Pilgangoora Operation which considers occupational exposures for each nominated Similar Exposure Group (SEG) and requires a quantitative assessment of exposures to be undertaken on a quarterly basis from each SEG in accordance with the Company's Health and Hygiene Management Plan and Health Surveillance Program.

Pilbara Minerals continues to implement a number of controls to limit potential occupational exposure such as dust suppression activities, training and awareness, provision of Personal Protective Equipment (PPE) and education on proper use. The Company continually monitors and adjusts these controls as required.

Additionally, in FY23 a Medical Services Improvement Management Project commenced which includes full upgrades for treatment facilities to support the increased workforce numbers.

Critical Risk Management Training

A series of mandatory CRM training workshops were run for all leaders and contracting partners within the Pilgangoora Operation.

The CRM material was developed and delivered exclusively in-house by the Site Safety team and covered 15 Critical Risk events. The 15 Critical Risk events were selected using historical Pilbara Minerals' data from reported events which were then mapped to national (DMIRS and SafeWork Australia) and global (International Council on Mining and Metals) mining industry standards for assurance.

Training was rolled out to 90% of the leadership group, with biannual training sessions planned to capture the balance of the team and new starters throughout FY24.

The Pilgangoora Leadership Team has incorporated the CRM training into their day-to-day management activities via new prestart boards and critical control verification forms.

Health and Wellbeing

Mental Health First Aid

FIFO Focus delivered Mental Health First Aid training in FY23 with 38 people across the Company participating in the training.

Pilbara Minerals now has 48 trained Mental Health First Aiders.

Mental Health First Aiders are Pilbara Minerals' employees who volunteer to be trained and equipped with the knowledge, skills, and confidence to recognise, understand and support someone who may be experiencing a mental health or wellbeing concern.

This initiative forms part of the broader Mental Health and Wellbeing Strategy which is aligned to the new WHS legislative requirements to address psychosocial risks and will continue to be rolled out across the business.

Preventing Sexual Harassment

Pilbara Minerals takes a proactive and preventative approach to creating a safe and respectful workplace. To date, Pilbara Minerals has implemented several prevention strategies and response actions to a range of areas, including leadership, training and education, diversity, security and accommodation, social activities and alcohol consumption at work adjacent settings, reporting, employee support and investigation of incidents.

During the year, the Company conducted mandatory safe and respectful behaviour training for all employees.

Two training modules were delivered with employees and contractors completing Safe and Respectful Behaviours Awareness training and leaders (with direct reports) completing Preventing Sexual Harassment Leader training. Through its membership with the Chamber of Minerals and Energy Western Australia, Pilbara Minerals continues to work with industry on the joint commitment to eliminate any instance of sexual assault, sexual harassment or other behaviours that threaten people's personal and psychological safety at work.

In FY24 training will continue, and an online module is being developed for Safe and Respectful Behaviours Awareness training as part of site induction requirements.

Psychosocial Hazards and Risk Management Workshops

Aligned with Pilbara Minerals' aim to be a mentally healthy workplace, two Psychosocial Hazards and Risk Management Workshops were delivered in April 2023.

This training forms part of Pilbara Minerals' Mental Health and Wellbeing Strategy which is built around the four key components of prevention, promotion, response, and recovery. This Strategy and its initiatives are supported and enabled by psychological safety and a culture of care.

Psychosocial Hazards and Risk Management training is one step towards fostering an engaged, inclusive and psychologically safe culture and strengthening the Company's hazard identification, risk assessment and reporting processes.

Pilbara Minerals will continue to manage psychosocial hazards and risks and strengthen awareness throughout FY24, which will include frontline leader training.

Taking the Pulse Chats

Psychosocial hazards are as relevant to Pilbara Minerals as physical safety. Covered in the Company's Human Resources Leader 101 training, psychosocial hazards are aspects of work design, management and organisation which have the potential to lead to psychological or physical harm, with supportive leadership the key protective factor for psychosocial hazard management.

Human Resources introduced "Taking the Pulse Chats" to monitor trends, review and observe personnel in their work areas to assess potential psychosocial hazards and work with leaders to minimise workplace hazards.

Employee Assistance Program

All employees and their immediate families are encouraged to access the EAP for short term assistance with any personal or work-related problems that may influence their wellbeing and work effectiveness. The EAP is confidential and independently managed by a leading provider of high-quality psychological services. Access to urgent counselling and critical response is available 24 hours a day, seven days a week. FIFO employees have access to 24/7 phone counselling with affiliated counselling services available in Port Hedland.

Climate Change and Emissions Reduction

Pursuing a pathway to deliver net zero emissions (Scope 1 and Scope 2) in the decade commencing 2040.

Highlights

6MW

Solar farm was successfully commissioned

Establishment of a Decarbonisation Working Group

Third-party climate risk review

Pilbara Minerals understands the important role that it plays in supporting global efforts to manage climate change and is proactive in considering the potential effects of climate change on its business. The Company fully supports the Paris Agreement goal of limiting global temperature rise to well below two degrees Celsius above pre-industrialisation levels and pursuing efforts to limit it to 1.5 degrees celsius. Pilbara Minerals also supports current climate goals of Australia to reduce carbon emissions by 43% below 2005 levels by 2030 and achieve net zero emissions by 2050.

Pilbara Minerals is pursuing a pathway to deliver net zero emissions (Scope 1 and Scope 2) in the decade commencing 2040.

To support these efforts, Pilbara Minerals actively strives to:

- Create and maintain a workplace culture where climate change and environmental impacts are prioritised.
- Responsibly manage the natural resources it consumes.
- Identify, invest, and implement opportunities that seek to reduce its operational carbon footprint and apply low emissions technology in a measured way.
- Be transparent and clear with its objectives and actions in response to climate change.
- Engage with industry peers and government to drive climate change policy development that aids in delivering long-term benefits for future generations.

Pilbara Minerals' Climate Change Position Statement is revised on an annual basis and updated in line with ongoing developments in this area.

International Developments

Pilbara Minerals is committed to ongoing monitoring of international climate change reports, developments, and reforms to enhance practices and the Company's disclosure pathway.

International Sustainability Standards Board

The ISSB issued its first two standards, IFRS S1 and IFRS S2 in June 2023. The proposed Australian adoption regime is expected to apply to from 1 July 2024 and replace TCFD disclosures.
Pilbara Minerals will seek to align with IFRS S2 Climate Related Disclosures in future reporting.

Safeguard Mechanism

The Safeguard Mechanism (SGM) provides a framework for Australia's largest emitters to measure, report and manage their emissions. The SGM was reformed in 2023 to ensure that businesses operating facilities that exceed 100,000 tCO_2-e emissions actively engage in emission reduction practices which limit their overall impact on the environment.

The reformed scheme takes effect from 1 July 2023. Pilbara Minerals will continue to undertake a body of work to understand the reformed SGM as it applies to its operations and engage with the regulator to ensure compliance.

Taskforce on Climate-related Financial Disclosures Alignment

Pilbara Minerals is committed to understanding how both the physical impacts of climate change and the transition to low carbon operations might affect the business.

Pilbara Minerals' TCFD alignment for FY23 is summarised in the table below:

Table 14: FY23 TCFD alignment

AREA	UPDATE
Governance	
Board's oversight of climate-related risks and opportunities.	• The Board is the highest governing body responsible for climate change strategy. • Under the Sustainability Committee Charter, the Committee is designated with responsibility from the Board to manage Pilbara Minerals' climate change strategy and associated risks / opportunities and progress against targets. The Sustainability Committee meets four times a year and minutes of meetings are made available to the Board. Climate-related risks are included within the Sustainability Committee and Audit and Risk Committee meetings. • The composition and experience of the Board and Sustainability Committee is further detailed in Pilbara Minerals' Corporate Governance Statement.
Management's role in assessing and managing climate-related risks and opportunities.	• The Executive Leadership Team work collectively with different aspects of managing climate change assigned across the team. Refer to Executive Leadership Team for further detail, page 59. • Pilbara Minerals has a Climate Change Position Statement and has continued to implement its Sustainability Policy, decarbonisation pathway and Environmental Policy, focusing on Greenhouse Gas (GHG) emissions tracking and reporting, GHG emissions reduction, climate-related risk management and energy management. • The Sustainability Team collaborates with various teams within the Company to ensure alignment in strategy and governance. Tracking of the Strategy's implementation progress is communicated to management teams monthly, with quarterly reporting to the Sustainability Committee. • The Company's Decarbonisation Working Group comprises of representatives from operations, projects, sustainability, innovation and environment teams to ensure a coordinated approach and embed a Board approved internal carbon price.
Strategy	
Climate-related risks and opportunities.	• Pilbara Minerals assessed climate-related risks and opportunities in line with the TCFD reporting framework. The assessment encompasses both physical risks, including those associated with climate change and climate extremes, as well as transitional risks, such as market transition and carbon pricing. The climate-related opportunities consider financial markets, investors, supply chains, policy, and technology.
Impact of climate-related risks and opportunities on the business, strategy, and financial planning.	• The climate-related opportunities assessed relate to financial markets, investors, supply chains (customer expectations) policy and technology. Scenario-driven analysis has been undertaken to support the decarbonisation pathway and climate risk analysis scopes. • Pilbara Minerals' Sustainability Strategy is underpinned by a materiality assessment which identifies climate change and emissions reduction as the highest business priority.
Resilience of the organisation's strategy under climate-related scenarios.	• The Company selected three Representative Concentration Pathways (RCP) scenarios (RCP2.6, RCP4.5 and RCP8.5) to address the orderly scenario, disorderly scenario, and hot house world scenario respectively to understand potential implications of climate-related physical and transition risks to the Company's Strategy. The Company has updated the risks in the ERR through FY23, assigned accountabilities within the Company and identified mitigations and controls. The Company updated the internal Sustainability Strategy to incorporate this priority and objectives.

AREA	UPDATE
Risk Management	
Processes for identifying, assessing, and managing climate-related risks and how they are integrated into the Company's overall risk management.	• Climate change is considered a key risk for Pilbara Minerals. • Pilbara Minerals has an established and comprehensive Enterprise Risk Management Framework. The Pilbara Minerals Risk Management Policy, and Risk Appetite Framework determine the processes for identifying and assessing climate-related risks. • Mitigation strategies identified for climate change include: – The assessment of transitional and physical risks and impacts for various scenarios. – Continued development of the Company's net zero pathway. • The Company is focused on integrating key climate risks (physical and transitional) and controls into Pilbara Minerals' risk management processes. A climate risk review in FY23, facilitated by external third party expertise, included workshops with various internal stakeholders and resulted in an updated ERR.
Metrics and Targets	
Metrics to assess climate-related risks and opportunities.	• Pilbara Minerals has implemented an emissions monitoring system which tracks ongoing emissions from the Pilgangoora Operation. • Metrics to assess climate-related risks and opportunities include GHG emissions, energy consumption, capital deployment.
Scope 1, Scope 2 and Scope 3 disclosure.	• Scope 1 and Scope 2 GHG emissions are calculated by a third party in accordance with the Australian Government methodology required by the *National Greenhouse and Energy Reporting Act (2007) (NGER)*. Refer to Scope 1 and Scope 2 GHG Emissions Table 16. • A product life cycle assessment (including Scope 3 emissions) has been undertaken. Refer to page 104.
Targets to manage climate-related risks and opportunities.	• Pilbara Minerals is pursuing a decarbonisation pathway targeting net zero emissions (Scope 1 and Scope 2) during the decade commencing 2040. • During FY24, Pilbara Minerals will review the carbon baseline and prepare for setting an interim target linked to its Power Strategy and Heavy Mobile Equipment Strategy.

Climate Change and Energy Risk and Performance

The Sustainability Committee and Audit and Risk Committee have oversight of the updated climate change risks. More information about the Audit and Risk Committee's oversight and management of risks is available in Risk Management page 66.

Building upon some of the existing climate-related risks that already reside in the ERR, a third party was engaged in FY23 to further identify and refine climate risks and opportunities. This involved an initial review of the Company's previously identified climate risks, followed by workshops with key internal stakeholders.

The Company further matured these risks by evaluating the materiality of each risk. Each risk and its associated preventative and mitigating controls are assigned to relevant management roles in the ERR. Climate change risks identified as high inherent risks are summarised in Table 15. The Company will continue to evolve climate analysis processes to better inform the integration of financial impact and climate resilience considerations into the business strategy.

Emissions Reduction: Net Zero Pathway

Pilbara Minerals' net zero pathway relates to Scope 1 and Scope 2 emissions and aims to integrate emission reductions into daily business decisions and give consideration to current and future growth implications. The net zero pathway is reviewed annually as the company continues to identify the optimal pathway for the business.

Climate Risks and Opportunities

Table 15: High inherent climate-related risks and key controls

RISK	IMPACT	CONTROLS
Failure to meet climate commitments	Failure to deliver on climate change commitments and meet increasing stakeholder expectations could impact on reputation, new and existing business opportunities, reduce the opportunity for funding and impact share price.	• The Sustainability Committee, Sustainability Working Group and the Sustainability Team tracking and progressing action against the commitments. • Seeking third party endorsement against sustainability criteria.
Increase in average temperature and heat wave duration	Increased temperatures and heat wave duration pose risks including heat-related equipment failures, negative impacts on worker health and productivity, and increased maintenance requirements.	• Maintenance strategy and budget considerations to maintain equipment and infrastructure. • Procurement and contract considerations. • Health and wellbeing strategies and plans. • Environmental monitoring.
Increased intensity of cyclones and storm surges	Increased intensity could impact infrastructure, operations, and safety at Pilbara Minerals' operations, Port Hedland and surrounding areas.	• Early warning systems. • Emergency response and management plans.
Increased frequency and intensity of wildfires	Increased likelihood of harsher wildfires impacting operations.	• Firebreaks. • Emergency response and management plans. • Fire response plans. • Training.
Reduced water security	Sustainable water supply could be insufficient for ongoing sitewide water demand requirements.	• Water balance and ongoing monitoring. • Water efficiency activities. • Borefield inspections.

The following considerations are incorporated into the net zero pathway:

- Projected emissions profile of Pilgangoora Operation (including expansion and efficiency projects).
- Alignment of emission reduction with a science-based emissions pathway.
- Staged approach for implementation of abatement projects to align with technology.
- Development of interim and final targets.

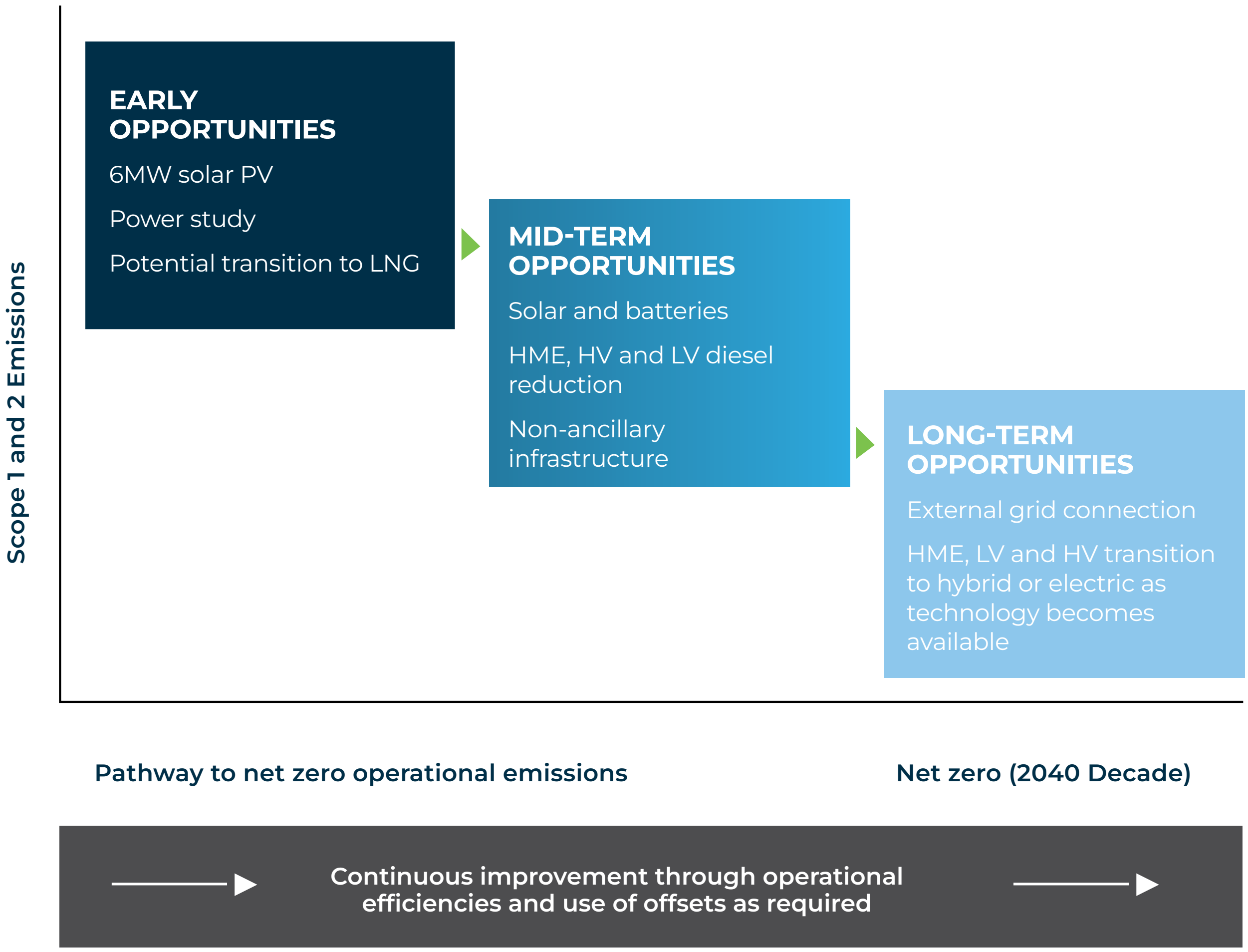
Early opportunity focus is on emissions reductions from plant and operational efficiencies.

The subsequent emission reduction phases require a move from the current energy source (diesel) and adapting to a more efficient or renewable energy source. This will require transformation initiatives currently not available or commercially viable. Pilbara Minerals continues to be dedicated to meeting this challenge and working to develop the processes, systems and operational changes required to help address the climate change challenge.

Several initiatives are being pursued to reduce emissions and position the Company to meet its net zero ambition including consideration of the electrification of fleet and audits of non-ancillary infrastructure.

The Sustainability Team has been working across the business to progress Pilbara Minerals' pathway to net zero emissions (Scope 1 and Scope 2) and develop a plan outlining how the Company will achieve its net zero commitment. This plan considers the P680 and P1000 Project.

Figure 20: Pathway to Net Zero Emissions (Scope 1 and Scope 2)[1,2]



1. Pilbara Minerals' pathway to net zero (Scope 1 and Scope 2) will continue to evolve in response to changing circumstances, such as emerging best practices, regulatory requirements, and the availability of technology.
2. Pilbara Minerals' pathway to net zero (Scope 1 and Scope 2) refers to: Liquefied Natural Gas (LNG), Photovoltaic (PV), Heavy Mobile Equipment (HME), Heavy Vehicle (HV) and Light Vehicle(LV).

Solar Power

In December 2022, a 6MW Solar Power Plant was successfully commissioned and is now running power to the Pilgangoora Operation. In the coming years, the solar plant is expected to displace approximately 3.8 Megalitres (ML) per year of diesel fuel, saving an estimated 9,900t of CO_2-e annually during the contract period of 15 years.

This initiative demonstrates Pilbara Minerals' commitment to reducing its carbon emissions, supporting its aim to achieve net zero emissions in the decade commencing 2040.

P1000 Project

Pilbara Minerals is committed to expansion plans that give consideration to decarbonisation commitments. Commercial discussions are in progress with several independent power producers to expand the Pilgan Plant's power station with new high-speed natural gas fuelled generators. These generators will serve to support the increased operational load associated with the P1000 expansion project, as well as the installation and operation of a Battery Energy Storage System (BESS) to support future increasing renewable energy penetration.

Internal Carbon Price

The Board approved an Internal Carbon Price (ICP) in FY23. By setting an ICP, Pilbara Minerals aims to:

- Improve its position to meet incoming GHG regulations.
- Understand the potential costs of carbon pricing mechanisms on the operation and any future investment decisions.
- Drive capital allocation towards energy efficient and low-carbon investments.
- Foster positive internal behaviour change.

Carbon and Energy Footprint

In FY23, Pilbara Minerals' operations, including the Pilgan and Ngungaju mine and plant facilities and the Perth offices, produced a total of 149,817 tCO_2-e. The increase in total emissions in FY23 from the previous year can be primarily attributed to the increase in diesel consumption as Pilbara Minerals increased overall activity across operations and construction works for the P680 Project.

Most emissions can be attributed to the use of diesel, which is the main energy source used to power the two facilities, associated mine fleet and supporting mine and camp infrastructure. The remoteness of the Pilgangoora Operation means it does not have access to grid power, requiring stand-alone power generation to support the operation.

Scope 1 and Scope 2 GHG emissions are calculated and disclosed in accordance with the Australian Government methodology required by the *National Greenhouse and Energy Reporting Act (2007) (NGER Act)* and the National Greenhouse and Energy Reporting scheme (NGERS).

The following figures and tables provide a breakdown of Pilbara Minerals' Scope 1 and Scope 2 GHG emissions quantities by operating facility and energy use.

Table 16: Scope 1 and Scope 2 GHG Emissions

OPERATIONAL FACILITIES	UNITS	FY22	FY23
Pilgan Scope 1	tCO_2-e	76,186	**100,993**
Ngungaju Scope 1	tCO_2-e	29,756	**48,764**

TOTAL EMISSIONS	UNITS	FY22[1]	FY23
Total Scope 1	tCO_2-e	105,942	**149,757**
Total Scope 2	tCO_2-e	58	**60**
Total Scope 1 and Scope 2	tCO_2-e	**106,000**	**149,817**

1. FY22 Scope 1 GHG emissions have been restated compared to Pilbara Minerals' 2022 Annual Report to reflect third party review and revision in calculated emissions.

Environment and Biodiversity

Pilbara Minerals values the diverse environments in which it operates and is committed to managing its impacts on these important ecosystems.

Highlights

Third party reviewed Environmental Management System gap analysis and co-designed improvement plan

Advanced holistic water balance and completed site audit

Extensive flora and fauna surveys undertaken

Pilbara Minerals values the diverse environments in which it operates and is committed to managing its impacts on these important ecosystems. For Pilbara Minerals, 'Environment and Biodiversity' includes the responsible consumption of water sources, resource management, and protecting the ecological value of ecosystems.

The Pilgangoora Operation is governed by Commonwealth and State legislation and has undergone assessment and obtained approvals under Part V of the *Environmental Protection Act 1986 (WA)* and the *Mining Act 1978 (WA)*. The future Lynas Find open pit has been referred for assessment under the *Environmental Protection and Biodiversity Conservation Act (Cth)*.

To ensure adherence to environmental regulations and standards, Pilbara Minerals commissions independent verification of compliance through its annual audit processes.

Environmental Regulations

Pilbara Minerals holds all relevant approvals to undertake exploration, mining and construction and operation of the Pilgangoora Operation and its associated activities. These approvals include conditions in relation to the protection of the environment through appropriate storage of dangerous substances, control of emissions, auditing and reporting obligations and the rehabilitation of disturbed land.

Pilbara Minerals is committed to maintaining a high level of environmental performance and compliance with all regulations and obligations. The Company reports emissions under the *National Greenhouse and Energy Reporting Act* and the National Environmental Protection (National Pollutant Inventory) Measure. The Company has developed data collection and management systems to support these reporting requirements.

Water abstraction is reported to State regulatory agencies, along with annual compliance reports for vegetation clearing, implementation of mining proposals and estimation of mine closure costs.

Pilbara Minerals has implemented additional environmental management systems including compliance-specific training programs and the adoption of compliance and environmental monitoring databases. The Company actively monitors compliance with environmental approvals through the implementation of data management and compliance tracking databases which are continuously developed and strengthened. Verification of compliance is independently assessed by external auditors on an annual basis.

During the reporting period, the Company engaged with and submitted numerous reports and statements to the relevant regulatory authorities demonstrating compliance with all necessary licences and approval obligations. There have been no material breaches of Pilbara Minerals' licences during the reporting period and all mining, exploration and associated activities have been undertaken in accordance with the relevant environmental regulations.

The Pilgangoora Operation is subject to ongoing environmental regulation under both the *Mining Act 1978 (WA)* and the *Environmental Protection Act 1986* administered by DMIRS and the Department of Water and Environmental Regulation (DWER) respectively.

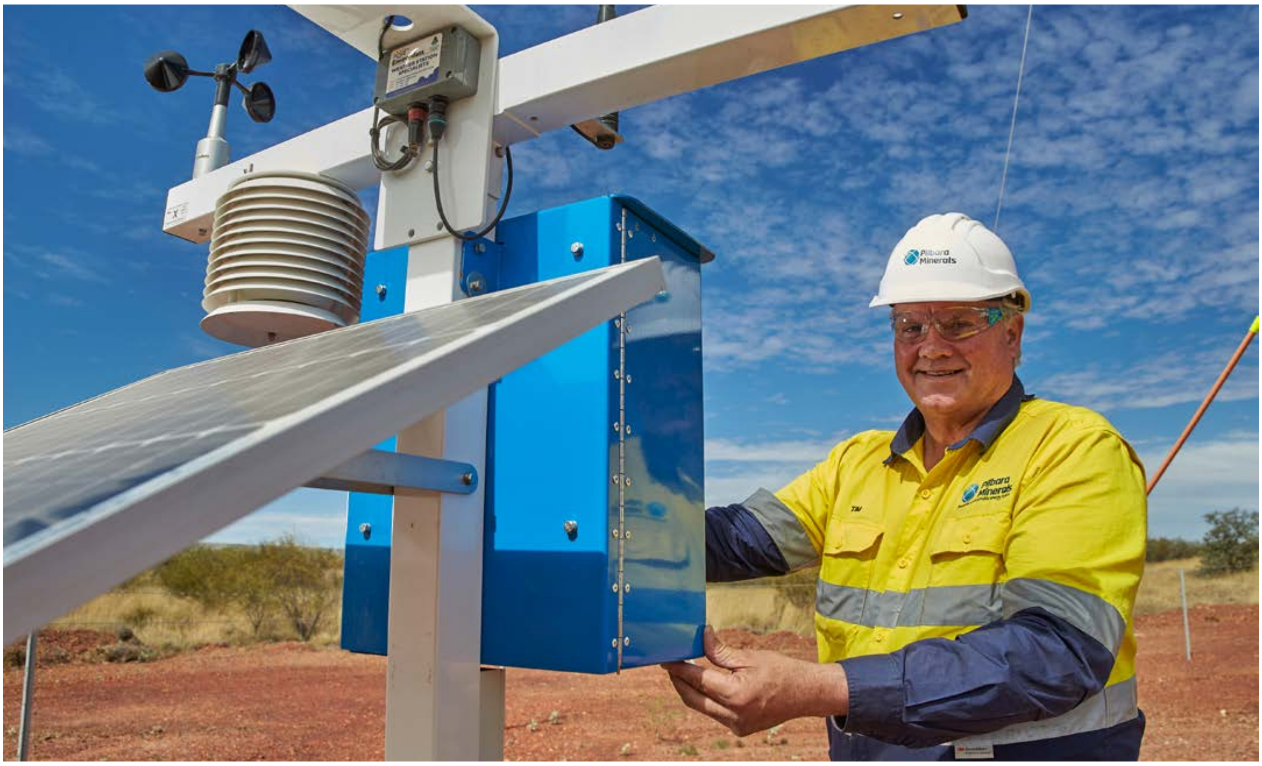
Key Risks and Controls

The Land Access and Approvals team, which reports to the CSO, are accountable for the identification of environmental and land access risks in the ERR. Risks are managed through the Environmental Management System. See the Risk Management section for further detail.

Environmental Management System

In September 2022, a gap analysis was completed by qualified external consultants to determine the level of the Company's compliance with the ISO 14001:2015 Environmental Management Standard and to strengthen Pilbara Minerals' EMS alignment with ISO standards.

The gap analysis findings were distilled into a series of recommendations categorised into the relevant ISO 14001:2015 clauses and general environmental management performance areas which have shaped the adjustment of the Company's EMS. The delivery of actions to realign the EMS will continue throughout FY24.



Air Quality and Dust Management

Most dust from mining activities results from disturbances such as blasting, drilling, excavation, loading, crushing, processing operations, dumping, and haulage.

Pilbara Minerals has ongoing dust monitoring systems to assess air quality at the Company's sites. Regular monitoring helps the Company identify any potential issues and take timely corrective actions.

As part of its operational controls, the Company has installed dust deposition gauges and completes annual vegetation assessments which include an assessment of dust impacts.

Pilbara Minerals reports annually to the NPI National Environment Protection Measure. Emissions are calculated using the method defined in the NPI Emission Estimation Technique manuals, with most calculations undertaken using emission factors.

Sensitive receptors are classified as places where people are likely to work or reside. This may include dwellings, schools, hospitals, offices, or public recreational areas. There are no sensitive receptors within a 20 km radius of the Pilgangoora Operation, excluding Carlindi Camp which is considered as part of the Pilgangoora Operation.

Pilbara Minerals actively engages its workforce through educational programs to raise awareness about the importance of air quality and dust control and the role everyone can play in minimising dust emissions.

Biodiversity

Before commencing activities that could potentially disturb the environment, Pilbara Minerals conducts flora and fauna surveys across all operational areas to develop supporting documentation for obtaining environmental approvals.

Pilbara Minerals' EMS incorporates Standards for Land Management. This EMS ensures that all onsite clearing operations are monitored and managed through a Land Use Certificate (LUC) process. By adhering to this process all clearing activities are reviewed and approved in line with licences, permits and approvals.

To safeguard biodiversity and minimise adverse impacts on the ecosystem, Pilbara Minerals has formulated various management plans and procedures. These include a corporate EMP which outlines

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the overarching strategies and processes. Additionally, there is a specialised Fauna Management Procedure to protect fauna within and around the operational areas.

A comprehensive understanding of current biodiversity assets, risks, and mitigating controls at the Pilgangoora Operation was realised via conduct of a desktop review. Key documents were assessed, and an internal review conducted to identify further potential risks and opportunities for biodiversity values in the Pilbara region.

The following changes were made to operational activities in the reporting period:

- LUC procedure was revised to include new Geographic Information System (GIS) databases.
- A rehabilitation procedure for exploration Program of Work was developed and implemented.
- Human resourcing was expanded within the Environmental, Land Access and Approvals Team with a restructure to ensure sufficient focus and oversight.
- Training in land access and approvals was rolled out to an additional 372 current employees.

Pilbara Minerals conducts flora and fauna surveys across all operational areas to develop supporting documentation for obtaining environmental approvals.

CASE STUDY

Northern Quoll Program

Biodiversity at the Pilgangoora Operation has a focus on the Northern Quoll population. Pilbara Minerals has undertaken a management approach in line with the biodiversity mitigation hierarchy.

Avoidance

Pilbara Minerals commenced avoidance measures to protect the Northern Quoll population from operational activities, which included relocating the waste rock landform away from denning habitat. A formal avoidance area has been proposed to ensure this habitat remains undisturbed.

Minimise

Pilbara Minerals has committed to a set of mitigation measures including but not limited to speed restrictions (60 km/h) for vehicles, dust control on roads and access tracks, and regular environmental inspections. Additionally, a dedicated Northern Quoll Management Plan will be in place before any mining expansion activities commence.

Rehabilitate

Upon the conclusion of mining operations, the Company plans to undertake responsible backfilling of any open pit that could impact Northern Quoll critical habitat. This measure aims to partially restore the local landform and facilitate the dispersal of Northern Quolls along the ridgeline.

The Rehabilitation Plan includes the construction of artificial dens to support the quoll population, building on the successful trial phase conducted at the Pilgangoora Operation. The Northern Quoll artificial denning program, led by Dr. Mitch Ladyman in collaboration with the Environment Team, was engaged to support the breeding habitat needs of this threatened species.

Recognising the vulnerability of this species to threats like feral cats and cane toads, the Company engaged Animal Plant Mineral consultancy to construct artificial dens. These dens provide safe and predator-free environments, with appropriate temperature and humidity levels for successful breeding. Three artificial dens have been constructed, and drawn positive attention from the Northern Quolls.

Ongoing Monitoring and Stakeholder Engagement

Stakeholder engagement, particularly with the Western Australian Department of Biodiversity, Conservation, and Attractions (DBCA), is a vital component of the Company's biodiversity conservation approach. Pilbara Minerals collaborates closely with the DBCA to explore the potential for pre-disturbance capture and release of Northern Quolls.

Water Management

Availability and access to water is essential for the ongoing sustainability of the business. The Pilgangoora Operation is located in the Port Hedland coast hydrographic catchment basin and water is primarily sourced from groundwater resources, predominantly fractured rock aquifer.

Pilbara Minerals employs the World Resources Institute's Aqueduct Water Risk Atlas Tool Aqueduct stress-level screening tool, Aqueduct 3.0 to inform risk assessments related to water availability and supply.

The tool identifies the Pilgangoora Operation to be in a "Medium High" water stressed area, however, when the overall water risk measures are aggregated (including physical risk quantity, quality and regulatory and reputational risks) it reveals an "Extremely High" risk classification.

Refer to SASB table, page 108 for further detail.

Water security and availability is documented in the ERR and are mitigated through compliance with regulation and management approaches.

Pilbara Minerals is not likely to have any direct or indirect impact on the Ramsar wetlands (per the Ramsar Convention on Wetlands). The nearest Ramsar wetland is over 140 km away (Eighty Mile Beach). A proposed Ramsar addition is over 130 km away (Fortescue Marshes). There is no hydrogeological connection between the area of operational activities and either of these areas.

A review of the Bureau of Meteorology's Groundwater Dependant Ecosystem Atlas indicated that the Pilgangoora Operation area is classified as no to low potential for groundwater interaction with vegetation reliant on subsurface groundwater.

Water Overview

Pilbara Minerals is committed to managing water resources responsibly. In FY23 the Company advanced the review of a holistic water balance aligned to the Minerals Council of Australia's Water Accounting Framework.

To effectively monitor changes in water quantity and quality, Pilbara Minerals monitors groundwater abstraction monthly, as well as reviewing groundwater levels and water quality, and vegetation health. A reporting platform stores the historical water record which enables the Company to analyse trends and address any instances of exceeding established benchmarks and operating permits.

No incidents of non-compliance associated with water quality permits, standards, and regulations resulted in a formal enforcement action[1] in 2023.

1. Formal enforcement defined as per governmental actions that address a violation or threatened violation of water quantity and/or quality laws, regulations, policies, or orders, that results in fines, prosecution, and suspension or cancellation of licences or permits.

Waste and Hazardous Materials Management

Pilbara Minerals' Waste Management Standard outlines the requirements for identification and registration of waste streams and hazardous waste, waste stream assessments and waste storage.

Mineralised (mine) waste is managed in accordance with the Mining Proposals and Acid Mine Waste Management Plans assessed and approved by DMIRS. Management of waste following closure are described in the relevant Mine Closure Plans.

Mine waste characterisation was completed as part of the supporting documentation of all Pilbara Minerals' original approvals.

Management Plans in place include an Acid Mine Drainage Management Plan (AMDP) which provides strategies to minimise the risk posed to sensitive operation receptors by the generation of acid and metalliferous drainage from mining activities at the Pilgangoora Operations. Mine waste facility design identified risks (including tailings) and evaluation of performance are managed according to the AMDP.

Waste Management Overview

In FY23, significant progress was made in waste management including the upgrade to landfill, recycling, and BioFarm operations. The facility is designed to segregate and responsibly dispose, reuse, or recycle various waste streams including metals, aerosols, plastics, batteries, wood, oils, and hydrocarbons.

This approach has enabled further progress in the Company's responsible waste management initiatives, including:

- Participating in Containers for Change initiative where collected bottles and cans are recycled, and funds raised through the initiative will be donated to a charity.
- Commencing engagement with Close the Loop to increase recycling of printer cartridges.

To further support these efforts, Pilbara Minerals is looking to engage a Waste Management Co-ordinator in collaboration with a local Indigenous business, with this partnership aiming to enhance waste management practices, promote local community engagement, and incorporate Indigenous perspectives into Pilbara Minerals' sustainability efforts on country.

Tailings Management

The responsible management of tailings storage facilities (TSFs) is a high priority for Pilbara Minerals. The operations and management of the TSFs adheres to the guidelines, regulations, and codes of practice, including the Australian National Committee on Large Dams Guidelines on Tailings Dams (ANCOLD) (2012).

Tailings management systems and governance structures are in place to monitor and maintain the stability of the TSFs through:

- Regular updates to the TSF Operating and Maintenance Manual and water management systems.
- Review and communication of responsibilities and role accountability to enable timely responses to variances from expected behaviour or performance criteria.
- Documenting regular reviews of tailings safety, including regular independent audits.
- Documentation of the design of the tailing facility, construction reports and quality control records.
- Site characterisation and assessments, including a dam break analysis.
- Failure modes and mitigative control measures.

Specific inductions are conducted for all personnel working in the TSFs. Instruments like vibrating wire piezometers, monitoring bores and drones are used for ongoing monitoring of embankment behaviour and to assess the dam safety factor.

The result of a dam break assessment indicates that in the event of an embankment failure, the processing plant infrastructure may potentially be affected. However, environmental impact is limited to land of low conservation value such as degraded or cleared land, ephemeral streams, non-endangered flora, and fauna. Furthermore, there are no potentially affected communities within the area downstream of the potential breach location.

To account for extreme weather events, the TSFs are designed according to the ANCOLD guidelines for Dam Category "High", with the recommended minimum design flood criteria of 1:100,000 Annual Exceedance Probability. The Company has engaged both internal engineering specialist oversight and external engineering support to ensure the proper management of the TSFs.

For emergency preparedness, the Company has a specific Emergency Preparedness Response Plan (EPRP) for each TSF. The EPRP is developed with the primary objective of safeguarding human life, minimising environmental impacts, and ensuring the safety of nearby communities and infrastructure. This Plan outlines credible failure scenarios that may occur and the conditions that would trigger implementation of EPRP. It also includes details on the required resources, roles and responsibilities of Pilbara Minerals' employees, contractors and consultants as well as the overall command structure in the event of emergency. Evacuation and rescue plans along with procedures and frequency requirements to test the EPRP are also part of the Plan. The EPRP document is updated annually in conjunction with TSF Annual Audit and Dam stability assessment by a geotechnical consultant.

Tailings Overview

In November 2022, trials were successfully conducted to increase the tailings density deposited in the Pilgan Plant's TSF by recirculating excess water to feed the filter presses in the Pilgan Plant. This approach has been proven to reduce the free water available

for seepage, improve wall stability and lower raw water consumption by the Pilgan Plant. Refer to Appendix C: Tailings Storage Facilities Management for further information.

Mine Closure and Reclamation

Planning early for mine closure is essential to avoid future environmental and social liabilities.

Pilbara Minerals' Closure Provision Model is reviewed annually and updated by an external consultant and supplied to the Company's external accounting auditors. Two Mine Closure Plans approved by DMIRS are in place (Pilgan and Ngungaju). These are reviewed every three years, with the last reviews conducted in May 2022 for Pilgan and May 2023 for Ngungaju. Pilbara Minerals makes mandatory contributions to the Mining Rehabilitation Fund under the *Mining Fund Act (2012)*. The purpose of the fund is to decrease the State's exposure to liability for mine rehabilitation. Additionally, the Company's rehabilitation and liability provisions are reported in the financials of this report.

A Closure Plan is in place for the Pilgan and Ngungaju TSFs with closure and rehabilitation of the downstream embankment slopes to be undertaken progressively, as rehabilitation materials, stability and surface will improve over time. The final soil cover for the tailings surface which will occur after decommissioning will be confirmed during operation, based on ongoing operational tailings geochemistry test results. The Closure Plan includes long-term monitoring, involving the ongoing assessment of environmental, geotechnical, and hydrological aspects to ensure the continued stability and environmental performance of the rehabilitated site.

The monitoring of water quality, vegetation, geotechnical instruments, and climate will continue until a long-term stable equilibrium has been reached. Pilbara Minerals is committed to collaborating with the regulator to ensure compliance with monitoring requirements and reporting obligations throughout.

CASE STUDY

Image: Seed gathering

Spray Field Project

A preliminary study is underway to investigate the impacts of mine site wastewater on native grass species and the potential of native grass seed farming to occur at the Pilgangoora Operation. The aim is to produce seeds to support revegetation and rehabilitation activities. The use of treated sewage water as a source of fertigation (instead of raw water irrigation) has the potential to enhance plant growth, support seed production and reduce raw water usage.

During FY23, the seeds of four native grass species have been harvested and are being analysed at the Curtin University Seed Technology Laboratory.

Technology and Innovation

Pursuing technology and innovation that builds the Company's competitive advantage and addresses business challenges.

Highlights

Completed Life Cycle Assessment study on Mid-stream Demonstration Plant

Selected three electric transport initiatives for trial

Completed renewable expansion investigations

While the mining industry is some way from realising the commerciality of electric, hybrid or hydrogen heavy haulage, there are technologies available now to reduce the carbon emissions of light vehicles. While this will not have the biggest impact on the overall emissions profile, it is a good place to start and if deemed viable, may lead to wider roll out across the Pilgangoora Operation in time.

In collaboration with Pilbara Minerals' transport partners, the Company has committed to trialling the operational viability of electric transport methods including:

- A fully electric coach bus to transport employees between the Pilgangoora Operation and Wodgina Airport.
- Two fully electric 3-tonne flatbed trucks to be used to deliver goods from the warehouses to various locations around the Pilgangoora Operation, and in handling general waste.
- A 12-month test of a converted prime mover battery electric concentrate haulage truck supported by solar electricity generation and battery infrastructure.

Additionally, Pilbara Minerals is actively engaged in investigations to evaluate solar and battery hybridisation on existing remote camp installations, with the intent to further reduce diesel fuel consumption. The Company is also collaborating on the trial use of diesel fuel additives at the Pilgangoora Operation.

Mid-stream Demonstration Plant Life Cycle Assessment

Major technological advancements and innovative solutions are being pursued through JV agreements, such as the JV with Australian technology company, Calix for the development of an innovative Mid-stream process. Pilbara Minerals and Calix have been undertaking engineering studies, laboratory testing and continuous pilot campaigns to further develop the mid-stream flowsheet. The process aims to produce a lithium enriched product on Australian soil, leaving the waste associated with spodumene at the mine site. When connected to renewable power sources, the Mid-stream Project's novel electric calcination technology aims to significantly decrease the carbon emissions intensity of spodumene processing when compared to conventional methods.

Following positive technical and commercial results, the next stage of verifying and then commercialising the technology is to test the process at scale via a demonstration plant intended to be constructed at the Pilgangoora Operation.

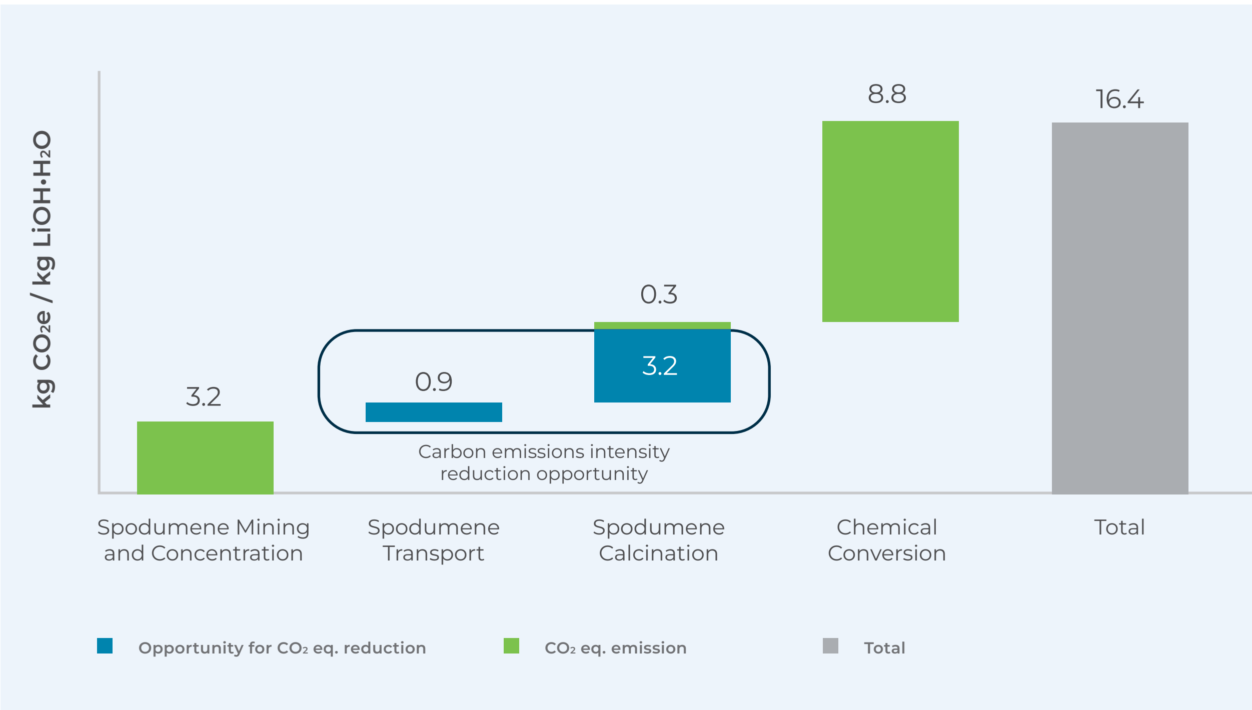
Independent Life Cycle Assessment studies commissioned by Pilbara Minerals have calculated that when using 100% renewable electricity for electric calcination, the carbon emissions intensity of spodumene calcination can be reduced by more than 80% when compared to using conventional fossil fuel-fired rotary kilns - with the potential to materially reduce carbon emissions in one of the most energy intensive steps in the lithium battery materials production process.

The assessments concluded that successful implementation of electric calcination on-site at a spodumene mine and concentrator could materially reduce carbon emissions intensity associated with spodumene calcination by more than 3 kg CO_2e per kg $LiOH{\cdot}H_2O$ when using renewable energy compared to using coal as the thermal energy source in rotary kiln calcination (refer to Figure 21).

Installing a chemical plant at site will increase Pilbara Minerals' Scope 1 and Scope 2 emissions by undertaking additional processing within its operational footprint that would otherwise be expected to be emitted as downstream Scope 3 emissions. The Project aims to demonstrate that the technology, when commercialised, has the potential to reduce aggregate Scope 1, 2 and 3 emissions across the hard-rock lithium supply chain in comparison to conventional rotary calcination.

Delivering a more lithium-enriched mid-stream product has the potential for industry wide benefits including reduced transport of waste, greater value creation and utilisation of the mineral resource and unlocking future assets with limited transport infrastructure. Further detail on this initiative is available on page 42/43 of this Annual Report.

Figure 21: Potential Reduction in Carbon Emissions[1]



1. Based on cradle-to-gate Life Cycle Assessment studies completed by Minviro Ltd.: evaluating production of Lithium Hydroxide Monohydrate (LHM) from Pilgangoora spodumene concentrate using conventional calcination; and evaluating the production of lithium phosphate from Pilgangoora spodumene concentrate using Calix's electric calcination technology. The assessments calculated the carbon footprint for the production of each chemical from the mine to the factory gate. A further study evaluated the product carbon footprint of β-spodumene production via conventional and electric calcination. The studies did not assess further impacts from gate-to-grave, and therefore did not evaluate product use and end-of-life recycling and disposal.

Traditional Owner Relationships and Opportunities

Highlights

Nyamal Aboriginal Corporation (NAC) Board session held with CEO

11 Cultural Awareness Training sessions held

Pursuing Aboriginal business procurement

As a company operating on First Nations people's land, Pilbara Minerals believes its role is to ensure that Traditional Owners, where possible, are meaningfully engaged and provided social and economic opportunities from the Company's operations.

Native Title in Australia is the common law system that recognises the pre-existing rights and interests to land and waters held by Aboriginal and Torres Strait Islander peoples under traditional laws and customs. The *Native Title Act (1993)* governs the determination of native title claims in Australia that are made by the National Native Title Tribunal. The Pilgangoora Operation is located on the Native Title determined land of the Nyamal and Kariyarra Peoples with the majority of operations located on Nyamal land.

Pilbara Minerals currently holds two Native Title Agreements, five Heritage Protection Agreements and two Infrastructure Agreements with Nyamal Aboriginal Corporation and Kariyarra Aboriginal Corporation.

Existing agreements with the Nyamal and Kariyarra People include provision for consultation, cultural awareness, and heritage protection. They also include provisions for direct and indirect opportunities such as royalties, employment, and contracting opportunities. To date, Pilbara Minerals has undertaken all operations to avoid heritage disturbance and no section 18 applications have been lodged under the *Aboriginal Heritage Act 1972*.

Pilbara Minerals' corporate office is located in the Perth metropolitan area where Whadjuk-Noongar People are recognised as Traditional Owners. In 2021, the Noongar people and the Western Australian Government negotiated a comprehensive native title agreement, the South-West Settlement Agreement.

Key Risks and Controls

Pilbara Minerals has identified the following as potential key business risks; damage to relationships with Traditional Owners, adherence to Native Title obligations and the unauthorised ground disturbance of Native Title land. These risks, impacts and controls have been captured in the ERR.

The following controls have been implemented to manage the risk to an acceptable level:

- Compliance register.
- Nyamal Implementation Committee.
- Regulatory communication.
- Employment of two Traditional Owners as full time Aboriginal Liaison Officers at the Pilgangoora Operation, and a full-time Indigenous Liaison Coordinator at the corporate level.

Overview

Licences, Permits and Native Title

Pilbara Minerals has continued to fulfil its economic benefit arrangements with the payment of all Native Title royalties made on time and in full. The Company has several Indigenous-owned businesses providing services to the Pilgangoora Operation and has arrangements in place with major contractors to extend opportunities for Indigenous employment and business contracts.

Cultural Heritage Management

Pilbara Minerals has continued to implement cultural heritage management in line with the Pilgangoora Cultural Heritage Management Plan. Four cultural heritage surveys were undertaken in FY23, and operations designed to avoid areas of cultural heritage. Protection measures implemented include fencing, signposting, education and training, GIS database records, regular inspections, and in-field monitoring.

Stakeholder Engagement

Pilbara Minerals continues to engage with relevant Native Title parties and other stakeholders regarding its Pilgangoora Operation, including formal Implementation Committee meetings with Nyamal Peoples, and informal meetings with other stakeholders such as the Yandeyarra and Strelley communities.

To ensure open and constructive communication with Traditional Owners, Pilbara Minerals utilises an internal system managed through software which captures community sentiment and grievances.

By monitoring and addressing feedback, Pilbara Minerals endeavours to maintain positive relations and contributions to the local community.

In FY23, the village service provider for Tambrah camp, Assetlink, entered a labour hire arrangement with Minhan, a Nyamal employment and training joint venture. As a result, two Minhan participants recently mobilised to the Pilgangoora Operation and commenced working for Assetlink.

This demonstrates the positive outcomes that stem from Pilbara Minerals' commitment to Nyamal business and recruitment, and the support provided by valued partners and key contractors.

Nyamal Aboriginal Corporation Board

Pilbara Minerals' representatives presented to the NAC Board in June 2022, where Dale Henderson was introduced as the Company's new Chief Executive Officer (CEO). This provided the NAC Board with the ability to ask questions directly of the CEO and for further engagement between the parties.

Indigenous Engagement Strategy

Pilbara Minerals aims to create enduring and mutually beneficial relationships with its Traditional Owner partners and local communities surrounding the Pilgangoora Operation. The Company has engaged with a range of stakeholders including local community, Native Title Representative Bodies, associated Registered Native Title Body Corporates, Office of Registered Indigenous Corporations, Aboriginal Lands Trust and the Department of Planning, Lands and Heritage.

A Schedule of Obligations forms part of Pilbara Minerals' Indigenous Engagement Strategy which sets out the Company's commitments and undertakings as part of this strategy. The key areas covered in the schedule include:

- Participation.
- Procurement.
- Employment.
- Cultural heritage and community development.
- Reporting, monitoring and communication.

The Strategy is reviewed annually through a formal review process with any significant aspects requiring attention reported to the Executive Leadership Team. An internal register of commitments has been established to monitor compliance and enable effective reporting. Pilbara Minerals has also established engagement strategies for expansion projects including the P680 Project.

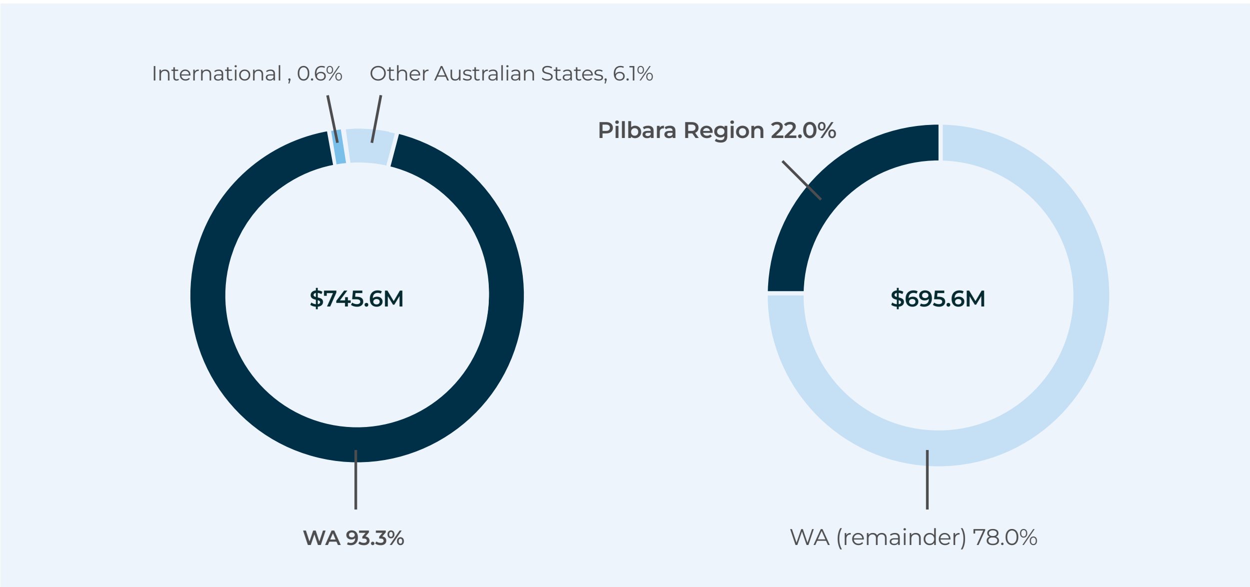
Cultural Awareness Training

Cultural Awareness Training sessions were held at on-site and at the Perth office during FY23, delivering training to a total of 292 Pilbara Minerals' employees and contractors.

Expenditure by Supplier

Pilbara Minerals strives to ensure economic benefits flow to local communities from its operations. The supply and procurement process aims, where practical, to provide local suppliers, contractors and businesses owned by Traditional Owners with business opportunities.

Figure 22: Estimated Expenditure by Location[1]



1. The percentage figure is related to Operational expenses only and excludes capital and corporate expenses

In FY23, Pilbara Minerals increased the proportion of local expenditure[1], with 93.3% of receipted spend occurring in WA. Of this total expenditure, 22.0% was in the Pilbara region, with more than $5M going to Nyamal businesses.

Initiatives

Camp Opening

Munjuda (Mun-Juh-Dah) camp was officially opened on the 14 March 2023. Munjuda is a 200-person camp that has been constructed to accommodate the growing workforce and is located next to the existing Carlindi camp. Munjuda is the traditional Nyamal name for Biddy Norman, a representative from the Traditional Owners of the Pilgangoora area and matriarch of the Norman and Jumbo families. Traditional Owners Biddy Norman, Willy Jumbo, Linda Doogiebee, and Doris Eaton attended the opening of the camp, with Willy providing the Welcome to Country.

NAIDOC week celebrations

NAIDOC week was commemorated in July 2022, with Pilbara Minerals hosting a range of activities both on-site and in the Perth Office. This included provision of bush tucker fact sheets, acknowledgment of Nyamal Country, inclusion of native Australian ingredients in menus, and display of local engravings and artwork created by Yandeyarra school children was hung throughout the Pilgangoora Operations. Kariyarra elder, Raylene Button, shared her experiences and insights in an informative A Yarn With session. Raylene gave a personal overview of historical developments, cultural aspects and observations gained from a growing resources industry, including Pilbara Minerals working on Kariyarra country.

Cultural Awareness Overnight Camp

During FY23, two on-country cultural awareness overnight camps were held with female employees and Traditional Owners, the Nyamal People. The groups spent a night yarning, cooking and camping under the stars at Green Tank Pool, a culturally significant site near the Pilgangoora Operation.

The overnight camp demonstrates Pilbara Minerals' commitment to create mutual understanding and strengthened engagement with Aboriginal people.

Business Improvement Partnership

The Company has continued to work hard to provide Nyamal businesses with contracting opportunities, with the largest contract awarded to Marlu Resources, a Nyamal business, in September 2022 for the provision of site security services. The services provided by this Nyamal business have since grown to include pre-employment medical services. Pilbara Minerals was Marlu Resources' first major contract and underpinned the rapid growth and diversification of the business.

To support other Nyamal businesses with the objective of continuing to build capacity, Pilbara Minerals has contracted Indigenous Management Group (IMG) to provide business support. IMG is a privately-owned firm operating on Whadjuk Noongar land specialising in developing and growing sustainable Aboriginal businesses.

This pilot program will involve IMG providing support to two Nyamal businesses located in Port Hedland to strengthen their business strategies and identify possible areas for growth and improvement.

Pilbara Minerals will continue to work with the NAC on all contracting opportunities as well as expanding the support services being offered by IMG to other Nyamal businesses in the Pilbara if this pilot is successful.

Partnerships and Programs

Pilbara Minerals is committed to supporting and contributing to the social and economic prosperity of the communities in which it operates.

Highlights

Launched a Renewable Energy and Lithium Battery Project with Strelley Aboriginal Independent School and Community

Commenced four multi-year partnerships

One of the ways Pilbara Minerals makes a difference in the world is by supporting and contributing to the social and economic prosperity of the communities in which it operates.

This is done by providing both financial and in-kind support for community initiatives.

In total, Pilbara Minerals made $1.3M in community investments in FY23 focused on the priority areas of education, community resilience and energy transition. Beyond financial commitments, Pilbara Minerals provides relevant communities with in-kind support which can take the form of visiting site, providing machinery and civil works support, or facilitating access to critical spares and contractors to ensure community infrastructure is in good working order.

Additionally, the Western Australian Government announced the establishment of the Resources Community Investment Initiative in FY23. The initiative will invest in infrastructure projects and community and social initiatives in the coming years in consultation with industry. Pilbara Minerals has committed $10.0M over a five-year period to partner in the initiative.

Community Investment Framework

The Pilbara Minerals Community Investment Framework comprises of three key components:

1. Corporate Partnerships – supporting a business or event that aligns with Pilbara Minerals' priority areas and benefits the WA community.
2. Community Partnerships – a partnership with organisations or groups that aligns with the Company's priority areas and communities that achieve agreed outcomes.
3. MADE Program – supporting Pilbara Minerals' employees to make a difference through participation in fundraising events or initiatives that are close to their heart.

Priority Communities

Pilbara Minerals' priority communities are identified as the areas in which its operations have the greatest impact. These communities are Nyamal and Kariyarra country, Strelley, Port Hedland, the Pilbara region and more broadly Perth.

Priority Areas

Education

Investing in the future by improving access to education programs and supporting students to succeed.

Desired Outcomes:

- Increase access to literacy and numeracy programs.
- Increase access to science, technology, engineering and mathematics (STEM) programs.
- Provide Indigenous students access to scholarship programs for high school and/or further education.
- Provide opportunities for leadership and mentoring to First Nations students enrolled in STEM programs at university.

Community Resilience

Supporting communities to be sustainable and resilient through health and wellbeing, economic and capacity building initiatives.

Desired Outcomes:

- Increased access for young people to services that support mental and physical health and wellbeing.
- Increase services and support for healthy behaviours.
- Increase access to healthcare professionals.
- Support programs that build capacity and self-sufficiency that support economic diversification.
- Support and celebrate the local community and culture.
- Increase support for the FIFO workforce and their families.

Energy Transition

Assisting communities to make a sustainable shift to renewable energy through initiatives, investment, and economic diversification.

Desired Outcomes:

- Support renewable energy initiatives.
- Improve transition to clean energy through investment in infrastructure.
- Increase access to training in sustainability and renewable energy to build capacity and knowledge.
- Partner with organisations to optimise the transition to clean energy.
- Support research and development that promotes the transition to clean energy.

Major Partnerships FY23

The Smith Family
5-year partnership

The Smith Family provides practical, short-term relief for struggling families, including support via its Learning for Life program in three ways:

- Financial support for education essentials (uniforms and books).
- Personal support for the child and family (to help children stay motivated at school).
- Practical support through extra learning and mentoring programs.

Pilbara Minerals' commitment to the Learning for Life program is a 5-year partnership to support children in the south-west region of WA through the provision of 100 scholarships.

Teach Learn Grow
5-year partnership

Teach Learn Grow (TLG) bridges the education gap for children in rural and remote Australian communities experiencing disadvantage. TLG addresses educational disparity by providing primary school students with free one-on-one tutoring and mentoring delivered by inspiring and engaging volunteer university students.

Pilbara Minerals' 5-year partnership support assists TLG to service the East Pilbara region (Yandeyarra, Marble Bar, Strelley and South Hedland).

Earbus Foundation WA
5-year partnership

Earbus Foundation WA (the Foundation) provides ear health screening, treatment and surveillance using roving teams of doctors, audiologists, nurses and ear, nose and throat specialists to regional and remote communities.

Pilbara Minerals' support assists the Foundation to triage, treat and manage the ear health of Aboriginal and at-risk children across the region. Pilbara Minerals' 5-year partnership with Earbus enables them to continue providing these services to Yandeyarra, Marble Bar, Strelley and schools and daycare centres in South Hedland.

Perth Children's Hospital Foundation

2-year partnership

There is a high prevalence of asthma in Aboriginal communities and specifically amongst children. Innovative research at Perth Children's Hospital Foundation (PCHF) has shown an accurate asthma diagnosis in pre-schoolers can be achieved through the study of chemical processes involved in metabolism (metabolomics).

PCHF is leading a Metabolomics for Asthma prediction project, a 2-year program to develop a test to diagnose asthma along with other respiratory diseases in children, more accurately.

Pilbara Minerals has committed to a 2-year partnership to support this research project.

Strelley Community Renewable Energy and Lithium Battery Project

In partnership with Pacific Energy and the Strelley Community, Pilbara Minerals supported the establishment of a Renewable Energy and Lithium Battery Project at the Strelley Community and School.

The Strelley Community is located between Port Hedland and the Pilgangoora Operation and is home to Australia's oldest, continually operating independent Aboriginal community school.

The Project comprises 44.2kW of solar PV (96 solar panels) and a 144kWh lithium battery storage system. This new renewable power system will reduce the Strelley Community's reliance on diesel generators, allowing it to run 'diesel off' during the day using solar energy and battery energy during the night.

Pilbara Minerals aspires to create a future where the wellbeing of the community is enhanced, and sustainable progress is achieved.

SASB Summary Table

TOPIC/AREA	METRIC	CATEGORY	FY23
Greenhouse gas emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Ngungaju: 48,764 Pilgan: 100,993 100% of Scope 1 and Scope 2 emissions covered by emissions limiting regulations
Greenhouse gas emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	See Climate Change and Emission Reduction pg 82
Air Quality	Air emissions of the following pollutants: **(1)** CO, **(2)** NOx (excluding N2O), **(3)** SOx, **(4)**particulate matter (PM10), **(5)** mercury (Hg), **(6)** lead (Pb), and **(7)** volatile organic compounds (VOCs)	Quantitative	Ngungaju (kgs) **(1)** CO: 272,150 **(2)** NOx (exluding N2O): 528,608 **(3)** SOx: 300 **(4)** Particulate matter (PM10): 1,598,588 **(5)** Mercury (Hg): 0.06 **(6)** Lead (Pb): 28.2 **(7)** Volatile organic compounds (VOCs): 28,622 Pilgan (kgs) **(1)** CO: 531,145 **(2)** NOx (exluding N_2O): 992,075 **(3)** SOx: 600 **(4)** Particulate matter (PM10): 2,340,150 **(5)** Mercury (Hg): 0.2 **(6)** Lead (Pb): 61.0 **(7)** Volatile organic compounds (VOCs): 51,669
Energy management	**1)** Total energy consumed, **(2)** percentage grid electricity, **(3)** percentage renewable	Quantitative	**(1)** Gross Energy Consumed (GJ) Ngungaju: 810,607 Pilgan: 1,699,289 Pilbara Minerals Head Office (Perth, WA): 421 Total: 2,518,370 **(2)** Percentage grid electricity (Pilgan and Ngungaju) = 0% **(3)** Solar farm commissioned in December accounted for approximately 1.8%
Water management	**(1)** Total fresh water withdrawn **(2)** Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	**(1)** 4.2GL Recycled Water: • Pilgan: 13.2% • Ngungaju: 10.6% TOTAL: 12.29% Recycled volumes calculated as percentage of water sent to TSF returned via decant or seepage intervention. **(2)** Water stress Pilbara Minerals does not operate in regions classified as High or Extremely High Water Stress as classified by the World Resources Institute Water Risk Atlas Tool Aqueduct. However, the entirety of Pilbara Minerals Western Australian operations are classified as Extremely-High risk when the overall water risk measures are aggregated.

SASB Summary Table cont.

TOPIC/AREA	METRIC	CATEGORY	FY23
Water management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Zero incidents of non-compliance associated with water quality permits, standards, and regulations resulted in a formal enforcement action. Formal enforcement defined as per governmental actions that address a violation or threatened violation of water quantity and/or quality laws, regulations, policies, or orders, that results in fines, prosecution, and suspension or cancellation of licenses or permits.
Waste & Hazardous Materials Management	Total weight of non-mineral waste generated	Quantitative	5,936 tonnes to onsite landfill.
Waste & Hazardous Materials Management	Total weight of tailings produced	Quantitative	2,327,424 tonnes.
Waste & Hazardous Materials Management	Total weight of waste rock generated	Quantitative	26,785,850 tonnes.
Waste & Hazardous Materials Management	Total weight of hazardous waste generated	Quantitative	123 tonnes –hydrocarbon waste. 540,785L waste oil and coolant.
Waste & Hazardous Materials Management	Total weight of hazardous waste recycled	Quantitative	540,785 L waste oil and coolant.
Waste & Hazardous Materials Management	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Discussion and Analysis	See Environment and Biodiversity pg 90
Biodiversity impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	See Environment and Biodiversity pg 90
Biodiversity impacts	Percentage of mine sites where acid rock drainage is: **(1)** predicted to occur, **(2)** actively mitigated, and **(3)** under treatment or remediation	Quantitative	**1)** An estimated 2.1% of waste material has been classified as potentially acid forming (PAF). **2)** Potentially acid forming material encountered during mining is actively mitigated in PAF encapsulation cells within the waste rock dumps. **3)** No acid rock drainage is under treatment or remediation.
Biodiversity impacts	Percentage of **(1)** proved and **(2)** probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	The Pilgangoora Lynas Find open pit has been assessed as impacting potential Northern Quoll habitat, and has been referred to the Federal Dept of Environment for assessment under the EPBC Act. **(1)** 77.0% of proved and; **(2)** 56.0% of probable Ore Reserves are within 5km of the Northern Quoll habitat.
Security, Human Rights and Rights of Indigenous People	Percentage of **(1)** proved and **(2)** probable reserves in or near areas of conflict	Quantitative	**(1)** 0% **(2)** 0% No Pilbara Minerals' operation is located in or near areas of conflict.
Security, Human Rights and Rights of Indigenous People	Percentage of **(1)** proved and **(2)** probable reserves in or near indigenous land	Quantitative	**(1)** 100% **(2)** 100% All project areas are on Nyamal and Kariyarra lands.

SASB Summary Table cont.

TOPIC/AREA	METRIC	CATEGORY	FY23
Security, Human Rights and Rights of Indigenous People	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	Pilbara Minerals has entered into Native Title Agreements with the Nyamal people. The NTA includes provision for consultation, cultural awareness and heritage protection. Pilbara Minerals has entered into Infrastructure Agreements with the Kariyarra People. The IA includes provision for consultation, cultural awareness and heritage protection. Pilbara Minerals does not operate in area of conflict. For more information see Business Ethics and Transparency pg 64
Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	The Pilbara Minerals Agreements with the Nyamal and Kariyarra People include provisions for protection of cultural heritage, and opportunities for direct and indirect benefits such as royalties, employment and contracting opportunities. For more information see Business Ethics and Transparency pg 64
Community relations	Number and duration of non-technical delays	Quantitative	Nil
Labour relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Quantitative	Nil
Labour relations	Number and duration of strikes and lockouts	Quantitative	Nil
Workforce Health and Safety	**(1)** MSHA all-incidence rate, **(2)** fatality rate, **(3)** near miss frequency rate (NMFR) and **(4)** average hours of health, safety, and emergency response training for **(a)** full-time employees and **(b)** contract employees	Quantitative	**(1)** 0.94 per 200,000 hours worked and 4.70 per one million hours worked. **(2)** 0 **(3)** 44.14 **(4)(a)** 288hrs **(b)** 780hrs
Business ethics and transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	See Business Ethics and Transparency pg 64
Business ethics and transparency	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	0 tonnes
Tailings Storage Facilities Management	Tailings storage facility inventory table: **(1)** facility name, **(2)** location, **(3)** ownership status, **(4)** operational status, **(5)** construction method, **(6)** maximum permitted storage capacity, **(7)** current amount of tailings stored, **(8)** consequence classification, **(9)** date of most recent independent technical review, **(10)** material findings, **(11)** mitigation measures, **(12)** site-specific EPRP	Quantitative	See Appendix C: Tailings Storage Facilities Management
Tailings Storage Facilities Management	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Discussion and Analysis	See Environment and Biodiversity pg 90
Tailings Storage Facilities Management	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	Discussion and Analysis	See Environment and Biodiversity pg 90

ACTIVITY METRIC	CATEGORY	FY23
Production of **(1)** metal ores and **(2)** finished metal products	Quantitative	See Operations pg 30
Total number of employees, percentage contractors	Quantitative	Total Number of employees (as at 30 June 2023): 768 Total contractors (as at 30 June 2023): 69 Percentage contractors (as at 30 June 2023): 9%

Appendix - Supporting Data

Appendix A – Supporting data: Hard-rock Mineral Resources

Figure 1: Globally Significant Lithium Resource – page 6

	COMPANY[1]	PROJECT NAME	STAGE	LOCATION	ANNOUNCEMENT TITLE	ANNOUNCE-MENT DATE	TOTAL (Mt)	RE-SOURCE GRADE (% Li_2O)	CON-TAINED Li_2O (Mt)	CON-TAINED LCE (Mt)[2]
1	Pilbara Minerals	Pilgang-oora	Production	Australia	Substantial 109Mt Mineral Resource increase to 414Mt	7-Aug-23	414	1.15%	4.8	11.8
2	AVZ Minerals	Manono	Exploration	DRC	Updated Mineral Resource Estimate	24-May-21	401	1.65%	6.6	16.4
3	IGO / Tianqi / Albemarle	Green-bushes	Production	Australia	IGO 2022 Annual Report to Shareholders	30-Aug-22	360	1.50%	5.4	13.4
4	Mineral Resources	Wodgina	Production	Australia	Lithium Mineral Resources and Reserve Update	7-Oct-22	259	1.17%	3.0	7.5
5	Leo Lithium	Goulamina	Develop-ment	Africa	Significant Goulamina Mineral Resource upgrade 48% increase to 211Mt	20-Jun-23	211	1.37%	2.9	7.1
6	SQM	Mt Holland	Develop-ment	Australia	Mt Holland Technical Report	25-Apr-22	186	1.53%	2.9	7.0
7	Liontown	Kathleen Valley	Develop-ment	Australia	Kathleen Valley Lithium Project - DFS Update 2	8-Apr-21	156	1.35%	2.1	5.2
8	Rio Tinto	Jadar	Exploration	Europe	Update to Ore Reserves and Mineral Resources at Jadar	23-Feb-22	144	1.80%	2.6	6.4
9	Infinity Lithium	San Jose	Exploration	Europe	South-West Connect Conference	20-Oct-22	111	0.61%	0.7	1.7
10	Patriot Battery Metals	Corvette	Exploration	North America	Patriot announces the largest lithium pegmatite Resource in the Americas at CV5	30 July 23	109	1.4%	1.5	3.8
11	Albemarle	Kings Mountain	Production	North America	2022 Annual Report	14-Feb-23	90	1.24%	1.1	2.8
12	Sigma	Grota do Cirilo	Production	South America	Sigma Lithium Corporate Presentation March 2023	15-Mar-23	86	1.43%	1.2	3.0
13	Andrada	Uis	Exploration	Africa	Drilling Delivers Significant Lithium Resource Upgrade at the Uis Mine	6-Feb-23	81	0.73%	0.6	1.5
14	Prospect	Arcadia	Develop-ment	Africa	Staged OFS Investor Presentation	11-Oct-21	73	1.06%	0.8	1.9
15	Sayona	North American Lithium	Production	North America	Definitive Feasibility Study confirms NAL value with A$2.2B NPV	13-Apr-23	58	1.23%	0.7	1.8
16	Livent	Nemaska	Develop-ment	North America	NI 43-101 Report on the Estimate to Complete for the Whabouchi Lithium Mine	31-May-19	56	1.40%	0.8	1.9

Appendix A – Supporting data: Hard-rock Mineral Resources cont.

Figure 1: Globally Significant Lithium Resource – page 6

	COMPANY[1]	PROJECT NAME	STAGE	LOCATION	ANNOUNCEMENT TITLE	ANNOUNCEMENT DATE	TOTAL (Mt)	RESOURCE GRADE (% Li_2O)	CONTAINED Li_2O (Mt)	CONTAINED LCE (Mt)[2]
17	Frontier	Pakeagama Lake	Exploration	North America	Frontier Lithium PFS Demonstrates Pre-Tax NPV US$2.6bn	1-Jun-23	55	1.47%	0.8	2.0
18	Mineral Resources	Mt Marion	Production	Australia	Lithium Mineral Resources and Reserve Update	7-Oct-22	51	1.45%	0.8	1.8
19	Sayona	Moblan	Exploration	North America	Moblan Boosted by Significant Increase in Lithium Resource	17-Apr-23	51	1.31%	0.7	1.7
20	Latin Resources	Salinas	Exploration	South America	241% increase for the Colina Mineral Resource	20-Jun-23	45	1.32%	0.6	1.5
21	Piedmont	Carolina Lithium	Exploration	North America	Piedmont Increases Mineral Resources	22-Oct-21	44	1.08%	0.5	1.2
22	Allkem	James Bay	Exploration	North America	Annual Report to shareholders and Appendix 4E	25-Aug-22	40	1.40%	0.6	1.4
23	Zinnwald Lithium	Zinnwald	Exploration	Europe	PEA for the revised Zinnwald Lithium Project (NL to FN, Li converted to Li2O using 2.153, it is reported in li PPM)	6-Sep-22	40	0.76%	0.3	0.8
24	Global Lithium	Manna	Exploration	Australia	Manna Lithium Project Resource Grows	26-Jul-23	36	1.13%	0.4	1.0
25	Atlantic Lithium	Ewoyaa	Exploration	Africa	Definitive Feasibility Study Project Update	22-Sep-22	35	1.25%	0.4	1.1
26	Critical Elements	Rose	Exploration	North America	Rose Lithium-Tantalum project feasibility study	13-Jun-22	34	0.90%	0.3	0.8
27	Core Lithium	Finniss	Production	Australia	Significant Increase to Finniss Mineral Resources	18-Apr-23	31	1.31%	0.4	1.0
28	Bikita Minerals	Bikita	Production	Africa	SMM news	18-May-22	29	1.17%	0.3	0.9
29	Savannah	Mina Do Barroso	Exploration	Europe	Annual Report and Financial Statements	31-Dec-21	27	1.06%	0.3	0.7
30	Alita	Bald Hill	Production	Australia	121 Mining Conference Presentation	20-Mar-19	27	0.96%	0.3	0.6
31	CAT Strategic Metals	Kamativi	Exploration	Africa	Chimata Releases NI 43-101 Technical Report on the Kamativi Tailings Lithium Project	7-Nov-18	27	0.58%	0.2	0.4
32	AMG Mineracao	Mibra	Production	South America	AMG Advanced Metallurgical Group Announces Increased Lithium and Tantalum Mineral Resource at Mibra Mine	3-Mar-17	25	1.05%	0.3	0.6

Appendix A – Supporting data: Hard-rock Mineral Resources cont.

Figure 1: Globally Significant Lithium Resource – page 6

	COMPANY[1]	PROJECT NAME	STAGE	LOCATION	ANNOUNCEMENT TITLE	ANNOUNCEMENT DATE	TOTAL (Mt)	RESOURCE GRADE (% Li_2O)	CONTAINED Li_2O (Mt)	CONTAINED LCE (Mt)[2]
33	Kodal Minerals	Bougouni	Exploration	Africa	FS demonstrates robust economics for development of the Bougouni Lithium Project	27-Jan-20	21	1.11%	0.2	0.6
34	Premier African Minerals	Zulu	Development	Africa	Africa's Next Lithium Developer	20-Jun-21	20	1.06%	0.2	0.5
35	Keliber Oy	Keliber	Development	Europe	Mineral Resources from Keliber's New Tuoreetsaaret Lithium Deposit	23-Jun-22	17	1.02%	0.2	0.4
36	Sayona	Authier	Production	North America	Definitive Feasibility Study confirms NAL value with A$2.2B NPV	13-Apr-23	17	1.01%	0.2	0.4
37	Liontown	Buldania	Exploration	Australia	Annual Report to Shareholders	30-Sep-22	15	1.00%	0.2	0.4
38	Rock Tech Lithium	Georgia Lake	Exploration	North America	Georgia Lake Pre-Feasibility Study	1-Oct-22	15	0.91%	0.1	0.3
39	Allkem	Mt Cattlin	Production	Australia	Mt Cattlin Resource Upgrade with Higher Grade	17-Apr-23	13	1.30%	0.2	0.4
40	Delta Lithium	Mt Ida	Exploration	Australia	Maiden Lithium Mineral Resource Estimate at Mt Ida	19-Oct-22	13	1.20%	0.2	0.4
41	European Lithium	Wolfsberg	Exploration	Europe	EUR Merger with NASDAQ Corp	26-Oct-22	13	1.00%	0.1	0.3
42	Lepidico	Karibib	Development	Africa	Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources	30-Jan-23	12	0.46%	0.1	0.1
43	Essential Metals	Dome North	Exploration	Australia	Dome North Resource Upgrade	20-Dec-22	11	1.16%	0.1	0.3
44	Snow Lake Resources	Thompson Brothers	Exploration	North America	Annual Report to Shareholders	1-Nov-22	11	1.00%	0.1	0.3
45	Avalon	Separation Rapids	Exploration	North America	NI 43-101 Separation Rapids Lithium Deposit	26-Sep-18	10	1.40%	0.1	0.4
46	Green Technology	Seymour	Exploration	North America	Investor Presentation South - West Connect Conference	20-Oct-22	10	1.04%	0.1	0.3
47	Green Technology	Root	Exploration	North America	Maiden Mineral Resource Estimate for the Root Project	19-Apr-23	5	1.01%	0.1	0.1

Source: Company filings as at 31 July 2023. Note: Figures are rounded. Reported on a 100% asset basis.Sorted by Resource Tonnes. 1. Company reporting the Mineral Resource; 2. Li2O converted to LCE using a factor of 2.473. Manono Project excluded from the bubble chart.

STATEMENTS AND DEFINITIONS

Appendix B - Supporting Data: Spodumene Production Capacity

Figure 2: Global spodumene production capacity – page 11

RANK	COMPANY	PROJECT NAME	STAGE	ANNOUNCEMENT TITLE	ANNOUNCEMENT DATE	PRODUCTION (TARGETED)
1	IGO	Greenbushes	Production	Presentation to Paydirt Battery Minerals Conference	21-Mar-23	2,070
2	Pilbara Minerals	Pilgangoora	Production	P1000 Project Final Investment Decision	29-Mar-23	1,000
3	Sigma	Grota do Cirilo	Production	Corporate Presentation	15-Mar-23	766
4	Mineral Resources	Wodgina	Production	Investor Site Tour Presentations	10-Oct-23	750
5	Liontown	Kathleen Valley	Development	Equity Capital Raising Presentation	1-Jan-21	658
6	Mineral Resources	Mt Marion	Production	Investor Site Tour Presentations	10-Oct-22	600
7	Leo Lithium	Goulamina	Development	121 Frankfurt Conference Presentation	16-Nov-22	506
8	SQM	Mt Holand	Development	Technical Report Summary of Mt Holland Lithium Project	25-Apr-22	383
9	Alkem	James Bay	Exploration	AGM Presentation	15-Nov-22	321

Source: Company filings as at 12 June 2023. Note: Current installed production capacity and where not available, annual production. Where an existing producer, developer, explorer has planned expansions and a Final Investment Decision has been approved to proceed with the planned expansion, the expanded capacity is used. Excludes Manono (AVZ) as an outlier; 1. Company reporting the production estimate; 2. Includes 173,317t chemical grade spodumene (5.5%) and 51,369t technical grade spodumene (6%).

Appendix C: Tailings Storage Facilities Management

Facility name	Pilgan Tailings Management Facility (TMF)	Ngungaju Tailings Storage Facility (TSF)
Location	Pilgangoora Operations, Western Australia	Pilgangoora Operations, Western Australia
Ownership	Pilgangoora Operations Pty Ltd	Pilgangoora Operations Pty Ltd
Status	Cell 1 is Active and Operating. Cell 2 Stage 2 is under construction	Active and Operating
Construction method	Downstream - Integrated Waste Landform	Downstream - Integrated Waste Landform
Maximum permitted storage capacity	4,779,061 Metric tonnes	3,886,049 Metric tonnes
Current amount of tailings stored	4,108,871 Metric tonnes	2,001,965 Metric tonnes
Consequence classification	ANCOLD - High A and DMIRS - Category 1	ANCOLD – High B and DMIRS - Category 1
Date of most recent independent technical review	March 2023	November 2022
Material findings	The TMF is in a safe condition and does not present an immediate risk to the safety of personnel or ongoing operations	The TSF is in a safe and stable condition. The facility is being operated in accordance with the design intent and deposition procedure is being implemented.
Mitigation measures	No material mitigation measures required	No material mitigation measures required
Site-specific EPRP	An Emergency Management Plan specific for Pilgan TMF have been developed, maintained and updated regularly in annual basis.	An Emergency Response Plan have been developed, maintained and updated regularly in annual basis. The document is also incorporated into the Ngungaju TSF Operating Manual.

Abbreviations

LONG FORM	ACRONYM
Acid Mine Drainage Management Plan	AMDP
Australasian Institute of Mining and Metallurgy	AusIMM
Australian Dollars	AUD
Australian National Committee on Large Dams Guidelines on Tailings Dams	ANCOLD
Australian National Environment Protection	NPI
Battery Energy Storage System (BESS)	BESS
Battery Material Exchange	BMX
Billion	B
Calendar Year 2023	CY23
Calendar Year 2024	CY24
Cents per share	cps
Chamber of Commerce and Industry	CCI
Chief Executive Officer	CEO
Chief Financial Officer	CFO
Chief Sustainability Officer	CSO
Commonwealth	Cth
Critical Risk Management	CRM
Department of Mines, Industry Regulation and Safety	DMIRS
Department of Water and Environmental Regulation	DWER
Dry metric tonnes	dmt
Earnings before interest and taxes	EBIT
Earnings before interest, taxes, depreciation and amortisation	EBITDA
Electric vehicles	EVs
Emergency Management Plan	EMP
Emergency Preparedness Response Plan	EPRP
Employee Assistance Program	EAP
Enterprise Risk Register	ERR
Environmental Management Plan	EMP
Environmental Management System	EMS
Environmental Social and Governance	ESG
Executive Leadership Team	ELT
Export Finance Australia	EFA
Financial Investment Decision	FID
Financial Year 2022	FY22
Financial Year 2023	FY23
Financial Year 2024	FY24
First Half 2023 Financial Year	H1FY23
Free on Board	FOB
Geographic Information System	GIS
Global Reporting Initiative	GRI
Greenhouse Gas	GHG
Heavy Mobile Equipment	HME
Heavy Vehicle	HV
Incident Management Team	IMT
Indigenous Management Group	IMG
Initiative for Responsible Mining Assurance	IRMA

STATEMENTS AND DEFINITIONS

LONG FORM	ACRONYM
Internal Carbon Price	ICP
International Financial Reporting Standards	IFRS
Iron Oxide	Fe_2O_3
Joint Ore Reserves Committee	JORC
Joint Venture	JV
Kilometres	km
Land Use Certificate	LUC
Light Vehicle	LV
Liquefied Natural Gas	LNG
Lithium Carbonate Equivalent	LCE
Lithium oxide	Li_2O
Megalitres	ML
Megawatt	MW
Million	M
Million tones	Mt
Million tonnes per annum	Mtpa
Mine Closure Plans	MCP
National Greenhouse and Energy Reporting	NGER
Native Title Representative Bodies	NTRB
Northern Australia Infrastructure Facility	NAIF
Nyamal Aboriginal Corporation	NAC
Occupational Health Risk Assessments	HRA
Parts per million	ppm
Personal Protective Equipment	PPE
Perth Childrens' Hospital Foundation	PCHF
Photovoltaic	PV
Pounds	lb
POSCO Holdings	POSCO
Quarter	Q
Representative Concentration Pathways	RCP
Safeguard Mechanism	SGM
Science, Technology, Engineering and Mathematics	STEM
Similar Exposure Group	SEG
Subject Matter Expert	SME
Sustainability Accounting Standard Board	SASB
Tailings storage facilities	TSFs
Tantalite	Ta_2O_5
Taskforce on Climate-related Financial Disclosure	TCFD
Teach Learn Grow	TLG
Thousand tonnes per annum	ktpa
Tonnes	t
Tonnes per annum	tpa
Total Recordable Injury Frequency Rate	TRIFR
United States Dollars	USD
Wet metric tonnes	wmt
Western Australia	WA
Western Australian Department of Biodiversity, Conservation, and Attractions	DBCA
Work Health and Safety	WHS
Workplace Gender Equality Agency	WGEA
United Nations Sustainable Development Goals	UN SDGs

Definitions

Mineral Resources

Is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such a form, quantity or quality that there are no reasonable prospects for eventual economic extraction. The location, quality, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge[1].

Ore Reserves

Is the economically mineable part of a measured and / or indicated resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out that demonstrate at the time of reporting that extraction could be reasonably justified[1].

Major social incident

An incident which results in ongoing serious social issues. This includes significant damage to structures or items of cultural significance; serious adverse national media, public, or NGO attention, frustration from critical stakeholder groups; or long-term reputational damage of social operating licence.

Major environmental incident

An event which has long-term but reversible impacts to significant flora, fauna, habitat, biodiversity, or natural resources within or beyond the boundaries of the Pilgangoora Operation.

Scope 1 Emissions

Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level[2].

Scope 2 Emission

Scope 2 greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity[2].

Scope 3 Emissions

Scope 3 emissions are indirect greenhouse gas emissions other than scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business[2].

1. Joint Ore Reserves Committee (JORC) Code for reporting of Mineral Resources and Ore Reserves.
2. Clean Energy Regulator, Australian Government.

Statements and disclosures

Competent Person's Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr John Holmes (Head of Geology and Exploration at Pilbara Minerals Limited). Mr Holmes is a shareholder of Pilbara Minerals. Mr Holmes is a member of the Australasian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Holmes consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes (Consultant with Trepanier Pty Ltd) and Mr John Holmes (Head of Geology and Exploration at Pilbara Minerals Limited). Mr Holmes is a shareholder of Pilbara Minerals. Mr Barnes is a member of both the Australasian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy, Mr Holmes is a member of the Australasian Institute of Geoscientists and each has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes and Mr Holmes consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Ore Reserves is based on, and fairly represents, information compiled by Mr Ross Jaine (Manager Mine Planning), who is a full-time employee of Pilbara Minerals and a Member of the Australasian Institute of Mining and Metallurgy. Mr Jaine has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jaine consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Important Information

Information in this report regarding production targets and expansions in nameplate capacity of the Pilgan Plant in respect of the P680 and P1000 projects are underpinned by the Company's existing Ore Reserves that have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition) and were released by the Company to ASX on 24 August 2023. The relevant proportions of proven Ore Reserves and probable Ore Reserves are 9% proved Ore Reserves and 91% probable Ore Reserves.

The Company confirms it is not aware of any new information or data that materially affects the information included in that ASX release dated 24 August 2023 or this Annual Report and that all material assumptions and technical parameters underpinning the Ore Reserves estimates continue to apply and have not materially changed.

Forward Looking Statements

This Annual Report may contain some references to forecasts, estimates, assumptions and other forward looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

References to Australian dollars

All references to dollars ($) and cents in this report are to Australian currency, unless otherwise stated

Authorisation of Release

Release of this Annual Report is authorised by Pilbara Minerals Managing Director and Chief Executive Officer Dale Henderson.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Annual Financial
Report 2023

Contents

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Pilbara Minerals Limited ("**Pilbara Minerals or the Company**") and its subsidiaries ("**the Group**") for the financial year ended 30 June 2023 and the auditor's report thereon. The Directors' report and consolidated financial statements are presented in Australian dollars, except where otherwise indicated.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Anthony Kiernan AM, LLB **Chair and Independent Non-Executive Director** Appointed 1 July 2016	Mr Kiernan is a former solicitor with extensive experience gained over 35 years in the management and operation of listed public companies. As both a lawyer and general consultant, he has practiced and advised extensively in the fields of resources and business generally. Mr Kiernan is Chair of the Fiona Wood Foundation which focuses on research into burns injuries. **Other current ASX directorships:** Genesis Minerals Limited (since October 2022). **Former ASX directorships in the last three years:** Saracen Mineral Holdings Limited (2018 to February 2021), NT Minerals Limited (April 2021 to March 2023), Northern Star Resources Limited (February 2021 to November 2021), Dacian Gold Limited (September 2022 to February 2023) and Venturex Resources Limited (2010 to March 2021).
Mr Dale Henderson B. Eng (Civil) and GAICD **Managing Director and Chief Executive Officer** Appointed Managing Director 30 July 2022	Mr Henderson is a highly experienced engineer with experience in both mine operations and development in the resources sector including roles in both brownfields and greenfields settings across a number of commodities. Prior to joining the Company, Mr Henderson held senior roles including Fortescue Metals Group, Chevron, and Occidental Petroleum. Mr Henderson was Chief Operating Officer at the Company from 2017 before his appointment as Managing Director and Chief Executive Officer on 30 July 2022. Mr Henderson has played a key role in overseeing operational improvements at the Pilgan Plant since its initial commissioning and in the acquisition of the adjoining Ngungaju Plant, establishing the foundation for the long-term growth profile of the Pilgangoora Operation. **Former ASX directorships in the last three years:** NT Minerals Limited (September 2021 to July 2022).
Mr Steve Scudamore AM, FCA BA (Hons), MA (Oxon), FAICD, SF Fin, HonDUniv (Curtin) **Independent Non-Executive Director** Appointed 18 July 2016	Mr Scudamore is an experienced Australian company director. His distinguished career includes more than three decades with KPMG, including senior roles in Australia, London and PNG including Chairman of Partners WA, Head of Corporate Finance in WA and National Head of Valuations, KPMG Australia. Since 2012, he has been a Non-Executive Director and Chair of MDA National Insurance Pty Limited, the insurance arm of a mutual medical defence organisation. His ongoing involvement in community organisations includes his role as Trustee and Vice Chair of the Western Australian Museum and WA Committee Chair of the Australian British Chamber of Commerce and member of the National Board. **Other current ASX directorships:** Regis Resources Limited (since May 2019) and Australis Oil & Gas Limited (since November 2016). **Former ASX directorships in the last three years:** None.

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Nicholas Cernotta B. Eng (Mining) **Independent Non-Executive Director** Appointed 6 February 2017	Mr Cernotta holds a Bachelor of Mining Engineering Degree, with 40 years' experience in the mining industry, spanning multiple and various commodities and operations in Australia and across multiple offshore jurisdictions, including Africa, Southeast Asia, Mongolia and Saudi Arabia to state a few. Mr Cernotta has held senior executive roles with extensive operational experience in both the public and private sectors of the mineral resources industry. More notable roles, include Director of Operations at Fortescue Metals Group Limited, Chief Operating Officer at MacMahon Contracting, Director of Operations at Barrick Gold (Australia and Africa) and CEO of GBF Underground Mining Company. A Non-Executive Director and Chair of some notable ASX listed Companies, Mr Cernotta has chaired Remuneration, People and Culture and Sustainability Committees and is a member of Exploration and Growth, and Technical Oversight committees. **Other current ASX directorships**: Panoramic Resources Limited (since May 2018), and Northern Star Resources Limited (since July 2019). **Former ASX directorships in the last three years:** New Century Resources Limited (March 2019 to November 2022).
Ms Sally-Anne Layman B. Eng (Mining) Hon, B.Com, CPA, MAICD **Independent Non-Executive Director** Appointed 20 April 2018	Ms Layman is a mining professional, corporate financier and advisor with 30 years of international and cross-commodity experience. Previously, Ms Layman held a range of senior positions with Macquarie Group Limited, including as Division Director and Joint Head of the Perth office of the Metals, Mining & Agriculture Division. More recently, she has worked as a consultant providing financial consulting services to miners and explorers, including strategy and business development. **Other current ASX directorships**: IMDEX Limited (since February 2017), Beach Energy Limited (since February 2019) and Newcrest Mining Limited (since October 2020). **Former ASX directorships in the last three years:** Perseus Mining Limited (2017 to September 2020).
Ms Miriam Stanborough AM BA (Hons), BE (Chem) (Hons), MSc (Mineral Economics), MAusIMM, GAICD **Independent Non-Executive Director** Appointed 4 October 2021	Ms Stanborough is a chemical engineer with more than 20 years' experience in the mineral processing industry across various commodities including copper, uranium, gold, silver, alumina and mineral sands. Ms Stanborough was previously part of the senior leadership team at Monadelphous, where she was Group Manager – Productivity and Innovation. Prior to that she held a number of senior roles at Iluka Resources, Alcoa Australia and WMC Resources in technical development, production management, project management, business improvement, HR and diversity strategy, and sales and marketing. Ms Stanborough is the Chair of the Minerals Research Institute of Western Australia (MRIWA), Director of ChemCentre and Deputy Chair of the Northern Agricultural Catchments Council (NACC). **Other current ASX directorships**: BCI Minerals Limited (since June 2022) and Australian Vanadium Limited (since February 2023). **Former ASX directorships in the last three years:** None.
Mr Ken Brinsden B. Eng (Mining), MAusIMM, MAICD **Managing Director and Chief Executive Officer** Appointed Managing Director 4 May 2016 Resigned 30 July 2022	Mr Brinsden is a mining engineer with over 25 years' experience in surface and underground mining operations, including roles in mine management, production, and brownfields and greenfields development roles across a range of commodities. Mr Brinsden held the position of Managing Director and Chief Executive Officer of the Company from May 2016 until he resigned from that position effective 30 July 2022. Mr Brinsden led the development and growth of the Pilgangoora Project, which was progressed from first drill hole to production in under four years. Under his stewardship, the Company has experienced exponential growth and is now considered one of the world's leading lithium raw materials suppliers with a portfolio of growth options to execute as battery raw material demand increases. **Other current ASX directorships:** Patriot Battery Metals Inc. (since August 2022) **Former ASX directorships in the last three years:** None.

Company Secretary

Mr Alex Eastwood, B. Economics; LLB(Hons), GAICD

Mr Eastwood has over 28 years of experience as a lawyer, company secretary and corporate finance executive. He has previously held partnerships with two international law firms, Deacons (now Norton Rose) and K&L Gates in its Energy, Infrastructure and Resources division. He has extensive experience in the corporate finance area including as a director of Blackswan Equities and New Holland Capital, and has held a number of senior positions including as General Counsel and Company Secretary for ASX listed companies in the mining and mining services sectors.

Mr Eastwood joined Pilbara Minerals as General Counsel in August 2016 and was appointed Company Secretary in September 2016.

Directors Meetings

The number of Board and Committee meetings attended by each Director of the Company during the financial year are:

Director	Board Meetings 13		Audit and Risk Committee 4		People and Culture Committee 4		Sustainability Committee 4	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Anthony Kiernan[1]	13	13	-	-	4	4	-	-
Dale Henderson[2]	12	12	-	-	-	-	-	-
Steve Scudamore	13	13	4	4	4	4	-	-
Nicholas Cernotta	13	13	-	-	4	4	4	4
Sally-Anne Layman[3]	12	13	4	4	-	-	4	4
Miriam Stanborough	13	13	4	4	-	-	4	4
Ken Brinsden[4]	1	1	-	-	-	-	-	-

[1]Notwithstanding he is not a member of the Audit and Risk Committee, Mr Kiernan attended for part of one of the four Audit and Risk Committee meetings held during the year

[2] Mr Henderson was appointed as Managing Director effective 30 July 2022. Notwithstanding he is not a member of the Audit and Risk Committee, Mr Henderson attended three audit and risk committee meetings held during the year

[3]Ms Layman was unable to attend one of thirteen Board meetings held during the year due to this meeting being scheduled at short notice. Notwithstanding she is not a member of the People and Culture Committee, Ms Layman attended for part of one of the four People and Culture Committee meetings held during the year

[4]Mr Brinsden resigned from his position as Managing Director effective 30 July 2022

The Audit and Risk Committee, People and Culture Committee and the Sustainability Committee consist solely of independent non-executive directors.

Principal Activities

The principal activities of the Group during the year were the exploration, development and operation of the Pilgangoora Project and Operations ("**Pilgangoora Project**"). The Pilgangoora Project includes two processing plants, being the Pilgan Plant and the Ngungaju Plant.

FY24 Objectives

Pilbara Minerals' purpose is to make the world a better place by enabling the global energy transformation. The Company achieves this through the production of lithium materials which are at the forefront of powering the world's ambition towards net zero.

Already a leader in lithium exploration, extraction, project development and concentration, Pilbara Minerals is pursuing a strategy focused on effective and efficient operations, growing its lithium market share, expanding into downstream chemicals production, and diversifying its operations to mitigate risk and maximise margins. All to achieve the Company's ambition to become a leader in the provision of sustainable battery materials products.

To deliver on this strategy, the following objectives and FY24 targets have been set:

Operate

- Produce and sell spodumene and tantalite concentrates from safe and sustainable mining and processing activities at the Pilgangoora Operation.

FY24 target

- Production, quality, sales and cost targets which reflect the expansion of production capacity at the Pilgangoora Operation as explained in further detail below.

Grow

- Continue expanding the production capacity of the Pilgangoora Operation.
- Increase the existing Mineral Resource and its conversion to Ore Reserve at the Pilgangoora Operation through undertaking further exploration and development activities.

FY24 target

- Complete construction and commissioning of the primary rejection facility of the P680 Project, increasing the annual nameplate production capacity of the Pilgan Plant by 100,000 tonnes per annum (tpa), thereby increasing combined production (Pilgan and Ngungaju plants) nameplate capacity to ~680,000 tpa (subject to lithium feed grade and mineralogy).
- Complete construction and commence commissioning of the new company owned integrated crushing and ore sorting facility to increase the ore throughput capacity of the Pilgan Plant to ~5 Mtpa in support of future project expansions.
- Commence construction of the P1000 Project with the aim of increasing total spodumene concentrate production capacity to up to 1 Mtpa.
- Continue with exploration and drilling programs with the target of increasing mine life.

Chemicals

- Leverage the size and quality of the Pilgangoora Operation by creating strategic growth opportunities through the establishment of deeper integration within the global battery materials supply chain, including partnering in downstream chemical processing opportunities, as well as innovations in mid-stream products.

FY24 target

- Continue to support the POSCO Pilbara Lithium Solutions JV, which is scheduled to complete construction and commence commissioning of the 43,000 tpa LHM primary lithium hydroxide chemical processing facility in South Korea, through supply of spodumene concentrate from the Pilgangoora Operation.
- Commence construction of the Mid-stream Demonstration Plant, in joint venture with Calix, with the aim of validating Calix's patented electric-kiln technology in calcining spodumene concentrate at a lower cost and reduced carbon emissions intensity, thereby further enhancing the sustainability of the battery materials supply chain.

- Complete the strategic partnering process with the aim of supplying up to 300,000 tpa of spodumene concentrate production from the P1000 Project to a downstream lithium chemicals facility in a mutually agreed location.

Diversify

- Diversify beyond the Pilgangoora Operation through the pursuit of inorganic growth and investment opportunities where they are value accretive and complement Pilbara Minerals' core competencies in hard-rock lithium and are aligned with the Company's vision.

FY24 target

- Identify investment opportunities in Tier 1 jurisdictions to leverage Pilbara Minerals' core competencies in hard-rock lithium exploration, extraction, project development and concentration to expand the business in a value accretive manner.
- Develop a medium and longer-term diversification strategy and objectives to align with Pilbara Minerals' purpose and ambition.

Sustainability

- Further integrate sustainability objectives into all facets of the Company and improve performance.
- Improve safety performance through ongoing maturity of culture, systems and processes.
- Maintain and further strengthen company culture to maximise the full potential of employees and make Pilbara Minerals a great place to work.

FY24 target

- Continued improvement in safety performance as measured by leading and lagging indicators.
- Complete sustainability material topic and strategy refresh with greater consideration of financial impacts, including identification of initiatives and targets, in readiness for International Sustainability Standards Board (ISSB) reporting.
- Continue to develop decarbonisation pathway and undertake studies on initiatives to meet the Company's net zero emission (Scope 1 and 2) target effectively and efficiently in the decade commencing 2040, including implementation of internal mechanisms.
- Minimise the impact of operations on the environment and surrounding communities.
- Further evaluation of risks and subsequent planning to manage exposure in consideration of evolving policy, standards and regulations.
- Continue to invest in the community and proactively engage with Traditional Owners.

Review of Operations

A review of the Group's operations for the year ended 30 June 2023 is set out in the operating and financial review on page 20. The Operating and financial review also includes material business risks, likely developments in the Group's operations in future financial years and expected results.

Dividends

Dividends paid by the Company to members during the year ended 30 June 2023 were:

Paid during the 2023 year	Cents per share	Total amount ($'000)	Date of payment
Interim 2023 ordinary	11.00	329,781	24 March 2023

After the balance sheet date the following dividends were determined by the directors:

Determined after the 2023 year end	Cents per share	Total amount ($'000)	Date of payment
Final 2023 ordinary	14.00	420,498	27 September 2023

The financial effect of the dividend determined after year end has not been brought to account in the consolidated financial statements for the year ended 30 June 2023 and will be recognised in subsequent financial reports.

Significant changes

There have been no changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report.

Events subsequent to reporting date

On 24 August 2023, the Directors determined a fully franked final dividend of 14 cents per share to Shareholders with a record date of 6 September 2023 and a payment date of 27 September 2023.

On 2 August 2023, the final investment decision was made to progress the construction and operation of a Mid-Stream Demonstration Plant at the Pilgangoora Operation in a joint venture between Pilbara Minerals Limited and Calix Limited. Estimated construction costs of $104.9M will be partially funded with a $20M Australian Government grant with Pilbara Minerals funding $67.4M of the remaining budgeted construction expenditure.

Environmental regulation

The Group holds all approvals to undertake exploration, mining and construction and operation of the Pilgangoora Project and its associated activities. These approvals include conditions in relation to the protection of the environment through appropriate storage of dangerous substances, control of emissions, auditing and reporting obligations and the rehabilitation of disturbed land. The Group is committed to maintaining a high level of environmental performance and compliance with all regulations and obligations.

The Group reports emissions under the *National Greenhouse and Energy Reporting Act* and the *National Environmental Protection (National Pollutant Inventory) Measure*. The Group has developed data collection and management systems to support these reporting requirements. Water usage and efficiency is reported to State regulatory agencies, along with annual compliance reports for vegetation clearing, implementation of Mining Proposals and estimation of mine closure costs.

The Group has implemented additional environmental management systems including compliance-specific training programs and the adoption of compliance and environmental monitoring databases.

The Group actively monitors compliance with environmental approvals through the implementation of data management and compliance tracking databases which have been continuously developed and strengthened. Verification of compliance is independently assessed by external auditors on an annual basis. During the reporting period, the Group engaged with and submitted numerous reports and statements to the relevant regulatory authorities demonstrating compliance with all necessary licences and approval obligations. There have been no material breaches of the Group's licences during the reporting period and all mining, exploration and associated activities have been undertaken in accordance with the relevant environmental regulations.

Directors' interests

The relevant interest of each Director in the shares, performance rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Pilbara Minerals Limited Ordinary shares	Options over ordinary shares[a]	Performance rights[a]
Anthony Kiernan	429,678	-	10,569
Dale Henderson	1,243,589	1,099,792	1,418,651
Steve Scudamore	185,432	-	-
Nicholas Cernotta	232,915	-	-
Sally-Anne Layman	171,652	-	-
Miriam Stanborough	54,600	-	-

[a] Vesting conditions attached to these options and performance rights are set out in the footnotes to note 2.2.3 to the financial statements.

Share options

Unissued shares under options

All options were granted in previous financial years. No options have been granted since the end of the previous financial year.

At the date of this report, unissued shares of the Group under option are:

Expiry date	Exercise price	Number of options[a]
31 December 2024	$0.2339	3,854,425
31 December 2025	$1.4041	334,300

[a] Vesting conditions attached to these options are set out in note 2.2.3 of the financial statements.

Shares issued on exercise of options

During or since the end of the financial year, the Group issued ordinary shares of the Company as a result of the exercise of options as follows (there are no amounts unpaid on the shares issued):

Expiry date	Exercise price	Number of shares issued
31 December 2022	$0.3634	9,271,615
1 May 2023	$0.3235	10,154,350
31 December 2024	$0.2339	3,433,487

Performance rights

Unissued shares under performance rights

At the date of this report, unissued shares of the Group under performance rights are:

Date performance rights granted [a,b]	Vesting date	Number of performance rights
17 November 2020	30 June 2023	729,276
1 December 2020	30 June 2023	1,225,620
22 April 2021	31 March 2024	253,017
2 December 2021	30 June 2024	1,075,474
17 November 2022	30 June 2025	843,075
25 November 2022	31 August 2023	164,830
9 December 2022	31 August 2023	14,572
9 December 2022	30 June 2024	181,087
20 December 2022	30 June 2024	114,547
20 December 2022	30 June 2025	1,206,345
27 March 2023	30 June 2025	361,298
8 May 2023	30 November 2024	770,534
8 May 2023	30 November 2025	1,155,800
15 May 2023	30 November 2024	95,979
15 May 2023	30 November 2025	143,969
19 May 2023	30 November 2024	27,368
19 May 2023	30 November 2025	41,053
8 June 2023	30 June 2025	121,573
23 June 2023	30 June 2024	511,481
27 June 2023	30 June 2024	153,665
27 June 2023	30 June 2025	340,411

[a] This is the grant date used for valuation purposes and not the date the performance rights are issued.

[b] Vesting conditions attached to these performance rights are set out in note 2.2.3 of the Financial Statements.

Performance rights issued

During the financial year, the Company granted the following performance rights:

Performance Rights	Grant date[a,b]	Vesting date	Vested
590,153	17 November 2022	30-Jun-25	-
252,922	17 November 2022	30-Jun-25	-
38,745	25 November 2022	30-Apr-23	38,745
164,830	25 November 2022	31-Aug-23	-
14,572	9 December 2022	31-Aug-23	-
90,544	9 December 2022	30-Jun-24	-
90,543	9 December 2022	30-Jun-24	-
5,284	20 December 2022	28-Feb-23	5,284
5,284	20 December 2022	31-May-23	5,284
5,284	20 December 2022	31-Aug-23	-
5,285	20 December 2022	30-Nov-23	-
844,443	20 December 2022	30-Jun-25	-
361,902	20 December 2022	30-Jun-25	-
76,364	20 December 2022	30-Jun-23	-
114,547	20 December 2022	30-Jun-24	-
252,909	27 March 2023	30-Jun-25	-
108,389	27 March 2023	30-Jun-25	-
770,534	8 May 2023	30-Nov-24	-
1,155,800	8 May 2023	30-Nov-25	-
95,979	15 May 2023	30-Nov-24	-
143,969	15 May 2023	30-Nov-25	-
27,368	19 May 2023	30-Nov-24	-
41,053	19 May 2023	30-Nov-25	-
85,101	8 June 2023	30-Jun-25	-
36,472	8 June 2023	30-Jun-25	-
29,909	23 June 2023	30-Jun-23	-
511,481	23 June 2023	30-Jun-24	-
76,940	27 June 2023	30-Jun-25	-
263,471	27 June 2023	30-Jun-25	-
153,665	27 June 2023	30-Jun-24	-

[a] This is the grant date used for valuation purposes and not the date the performance rights are issued.

[b] Vesting conditions attached to these performance rights are set out in note 2.2.3 of the financial statements.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify current and past directors and officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not, during or since the financial period, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as an auditor.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for current and former directors, officers, and senior executives of the Company and its controlled entities. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-audit services

KPMG did not provide any non-audit services during the financial year ended 30 June 2023.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 158 and forms part of the Directors' Report for the financial year ended 30 June 2023.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the consolidated financial statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITED REMUNERATION REPORT

Letter from Nicholas Cernotta

Dear Shareholder

On behalf of the Directors of Pilbara Minerals Limited, I am pleased to present the Remuneration Report for the Financial Year (**FY**) ended 30 June 2023.

FY2023 has seen a refresh of our executive team to support the Company's future and growth, as a major long-term player in a rapidly growing lithium industry. Chief Executive Officer (**CEO**) and Managing Director (**MD**), Dale Henderson, our previous Chief Operating Officer (**COO**), was appointed as CEO in FY2022 and MD on 30 July 2022. This internal appointment not only demonstrates the opportunity that PLS can offer its long standing employees but is testimony to the value placed on the knowledge and intellectual property held by our quality people. Over FY2023, the Company welcomed five new executives who join Dale and Alex Eastwood, our Chief Commercial and Legal Officer/Company Secretary (**CCLO/CS**), to comprise our new Executive Leadership team. New executives have brought into our organisation a breadth of capability and experience, that is critical to a very rapid expansion success. They include Vince De Carolis as COO, Luke Bortoli as Chief Financial Officer (**CFO**), John Stanning as Chief Development Officer **(CDO)**, Sandra McInnes as Chief Sustainability Officer **(CSO)** and Paul Laybourne as Project Director, all of whom have a proven track record of competence and delivery of results in their respective fields. The CDO and CSO are newly created roles, charged with the responsibility to support our growth and sustainability initiatives respectively. Where applicable, sign on arrangements for new executive Key Management Personnel **(KMP)** are included in this report. We are looking forward to our new team leading the Company's next phase of our long-term growth strategy, under the stewardship of the Board.

During FY2023, the Company's share price appreciated by 114%, resulting in a stellar 127% Total Shareholder Return[1] (**TSR**). These results reflect the Company's operational outperformance and commodity price escalation. Through effective operational performance, the Company has been able to harness the growth cycle of the lithium market to achieve standout financial returns and secure an enviable balance sheet or spring board for our next horizon of growth. Strategically, and for future value creation, the Company has progressed several key objectives, including negotiation and execution of the POSCO downstream JV and creation of a midstream product development pathway. Further achievements are outlined in the Board Chair's letter on page 12 and the Directors' Report on pages 122 to 157.

Taking into account the Company's strong FY2023 performance, notwithstanding significant market volatility, the Directors took a balanced and considered approach to FY2023 remuneration matters, which included:

- **Remuneration adjustments for executive KMP** made following the undertaking of initial remuneration reviews for the CEO/MD and the CCLO/CS. As foreshadowed, the CEO/MD's remuneration was reviewed within 6 months of appointment.
- **Short-Term Incentive (STI) outcome for FY2023.** Of the five FY2023 STI targeted business measures and metrics, four were met either wholly or in part and one was not met. Key achievements were safety interactions exceeding the stretch target, strong production results while achieving favourable unit cost, and strong individual performance. The final STI outcome was 71% of maximum for executive KMP. Refer to section c of the report for further detail.

[1] Sourced from Bloomberg for FY23 (1 July 2022 to 30 June 2023)

- **Long-Term Incentive (LTI) outcome in FY2023.** Performance of the FY2021 LTI award was tested over the three-year period to 30 June 2023 against relative TSR, absolute TSR and strategic objectives aligned with the Company's long-term goals. Based on the assessment of performance against the objectives, the FY2021 LTI vested in full, with share price performance being a standout deliverable. Refer to section c of the report for further detail.
- **Good leaver status of former MD/ CEO and former CFO.** In recognition of their contribution to the Company, the former executives retained a portion of their respective unvested variable incentives, proportional to the performance period served, and for future performance testing[2]. The awards remain unvested until the relevant performance and vesting conditions are tested in line with the original award conditions.

The Company's FY2024 remuneration framework will continue to reflect our commitment to building a performance-based culture that supports the Company's strategic objectives involving expansion, diversification, sustainability and principally shareholder wealth creation. Underpinning our remuneration framework is the intent to align employee pay to both shareholder returns and stakeholder interests. Further details of the FY2024 remuneration framework are set out in the Remuneration Report.

Finally, as part of our intention to appropriately remunerate KMP and in line with our commitment to transparency, we will be increasing Non-Executive Director fees in FY2024, with further detail in section f. This change will occur within the existing fee pool which shareholders last approved in FY2022. To facilitate the further growth of the Company over future years, we will be reviewing the fee pool and any increase to accommodate smooth Board succession and future Non-Executive Director fees will be put to shareholders for approval at the Annual General Meeting.

The Company looks forward to discussing the Remuneration Report with shareholders at the upcoming Annual General Meeting.

Yours faithfully,

Nicholas Cernotta
Chair, People and Culture Committee

[2] The only exception is Mr Brinsden's retention options, which vested at 100% given Mr Brinsden's voluntary support to a rapid CEO transition which occurred due to an internal candidate being appointed to the role. This was a request of the Company to which Mr Brinsden acquiesced which would otherwise have prejudiced Mr Brinsden's rights to receive full vesting given his contractual notice period. Mr Brinsden served 91.5% of the vesting period as MD/ CEO and served out the remainder of the vesting period employed as a special advisor to the Company.

a. Introduction

This Remuneration Report for the financial year ended 30 June 2023 outlines the remuneration arrangements for Directors and other Key Management Personnel (KMP) of the Group. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

The information provided in this Remuneration Report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards, and the Remuneration Report has been audited in accordance with Section 308(3C) of the *Corporations Act 2001*.

The following were KMP of the Group during the financial year for the indicated term:

Name	Role	Term
Non-Executive Directors		
Anthony Kiernan AM	Non-Executive Chair	Full year
Miriam Stanborough AM	Non-Executive Director	Full year
Nicholas Cernotta	Non-Executive Director	Full year
Sally-Anne Layman	Non-Executive Director	Full year
Steve Scudamore AM	Non-Executive Director	Full year
Executive Director		
Dale Henderson	Managing Director (MD) and Chief Executive Officer (CEO)	CEO full year Appointed MD on 30 July 2022
Other executive KMP		
Alex Eastwood	Chief Commercial and Legal Officer/Company Secretary (CCLO/CS)	Full year
Luke Bortoli	Chief Financial Officer (CFO)	Appointed 11 April 2023
Vince De Carolis	Chief Operating Officer (COO)	Appointed 14 November 2022
Former KMP		
Ken Brinsden	Former MD	Ceased as MD on 30 July 2022
Brian Lynn	Former CFO	Ceased on 28 February 2023

Mr Brinsden ceased as CEO in FY2022 and upon ceasing as MD and KMP he entered into a fixed term special advisor agreement from 30 July 2022 until 6 November 2022. Mr Lynn remained an employee of the Company in a non-KMP capacity until 8 May 2023.

Within this Remuneration Report, reference to 'executive(s)' includes the Executive Director and other executive KMP.

b. Overview of executive remuneration policy and remuneration framework

Remuneration philosophy

The Directors are responsible for ensuring the remuneration arrangements of executives are effective for the purposes of retention, reward and alignment with the Company's overall business strategy and the interests of shareholders.

In setting the remuneration framework, the Board aims to ensure the framework recognises the overall value and contributions executives deliver to the Company, and reward for strong performance is market competitive. In doing so, the Board endeavours to ensure the framework addresses the following key principles:

Remuneration framework principles

Attract and retain key executives to facilitate continued growth in the Company	Ensure executive remuneration is directly and transparently linked to strategy and performance	Ensure fair and competitive remuneration through effective benchmarking for total annual remuneration in accordance with market practices and a clearly defined peer group of similar companies	Being fit for purpose for a company in an early operational and growth phase of its asset life cycle	Comply with applicable legal requirements and appropriate standards of governance

Each year the Board aims to ensure executives are remunerated with an appropriate combination of cash and equity across their fixed and variable remuneration to align executives with the interests of shareholders. Performance-tested remuneration elements align executives to long-term shareholder returns and interests, which is further supported through the Company's requirement for minimum shareholdings applicable to all KMP as outlined later in this report.

Elements of executive remuneration

The Company's remuneration framework seeks to build a performance-based culture that supports the strategic objectives of the Company and attracts, retains and motivates executives by offering market competitive remuneration and incentives.

To this end, remuneration packages for executive KMP each year comprise a mix of the following:

	Fixed Remuneration	Variable Performance-based Remuneration	
		Short-term Incentives (STIs)	Long term Incentives (LTIs)
Description	Comprises base salary and superannuation as a guaranteed fixed element of remuneration.	Paid as cash or share rights (at Board discretion where considered appropriate and to encourage shareholder alignment). Subject to achievement of shorter term (12-month period) performance targets, which typically include both financial and non-financial measures as part of both group and individual/role performance targets.	Grant of awards (performance rights and/or options) issued under the Company's shareholder approved Employee Award Plan (**Award Plan**), noting that since FY2022 the preferred instrument has been performance rights. Awards vest over 3 years subject to achievement of long term performance targets linked to TSR, Company's strategic objectives or milestones where appropriate, and/or service conditions.
Purpose	To meet the basic expectation of the role and deliver satisfactory outcomes and to attract and retain talent by providing market competitive remuneration, with benchmarking based on: • company size and industry • business complexity • individual role responsibility • skills and experience.	To reward and engage executives to drive shorter term performance and conduct in relation to both business and individual performance. To reward performance and re-position effort annually (as required) to shorter-term initiatives (supporting business agility) that may arise in volatile global economic markets.	To reward longer term performance that drives long-term strategic growth of the Company and delivers shareholder return. To retain talent over the longer term.

The below diagram illustrates the executive remuneration structure over the relevant vesting periods:

	Year 1	Year 2	Year 3
FR	**Base salary and superannuation**		
STI	**Cash and/or share rights**		
LTI	**Performance rights and/or options**		

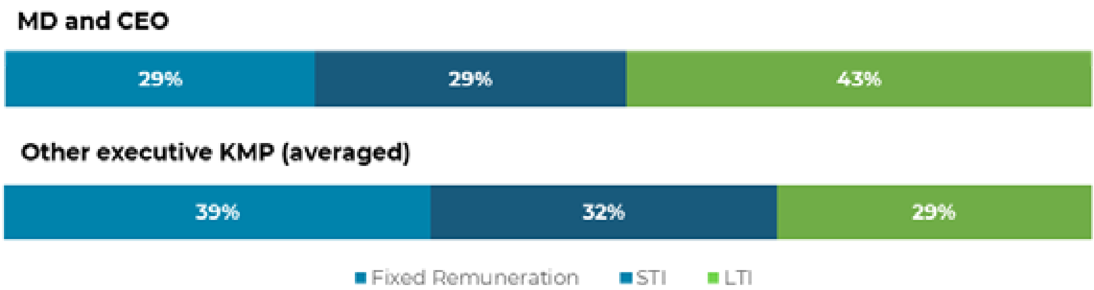
Please see page 143 for greater detail on the remuneration elements above and page 138 for FY2023 outcomes.

FY2023 maximum remuneration mix

The Company's People and Culture Committee (the PC Committee) recommends an appropriate mix of remuneration for executives each year. Consideration is given to market trends, strategic business objectives and shareholder interests as well as the experience, role requirements and responsibilities of executives.

From time to time, the People and Culture Committee engages independent external remuneration consultants to provide market related advice. The People and Culture Committee engaged Guerdon Associates in September 2022 to conduct Board and Executive remuneration benchmarking and to establish a peer group of companies for the purpose of relative Total Shareholder Return (TSR) evaluations for the FY2023 remuneration framework. The total fees paid to Guerdon Associates during the year to perform this work were $56,091 including GST. No remuneration recommendations were provided by such consultants for the purposes of the Corporations Act 2001.

Based on these considerations and independent remuneration benchmarking carried out for FY2023, the maximum remuneration components for executives for FY2023 were set as follows, calculated as a percentage of maximum total remuneration:



Note: Remuneration mix does not sum to 100% due to rounding.

Minimum shareholding policy

The Company has a minimum shareholding policy for executive KMP to ensure direct alignment with shareholder interests. The minimum holding requirements are as follows:

- **MD and CEO**: equal to the value of annual fixed remuneration
- **Other Executives**: equal to half of the value of annual fixed remuneration

Executives are encouraged to meet their minimum shareholding within a reasonable timeframe, and no longer than three years, by acquiring shares either directly on market or through the vesting of performance tested, equity delivered incentives.

At the end of FY2023, all executives who have been KMP for greater than three years have met the minimum holding requirement under the policy. Mr De Carolis and Mr Bortoli, who were appointed as executive KMP during FY2023, have until November 2025 and April 2026 respectively to meet the minimum shareholding requirement.

Further details of the minimum shareholding policy can be found on the Company's website. Please refer to section f for the application of this policy to Non-Executive Directors.

c. FY2023 executive remuneration outcomes and link to Company performance

Overview

When considering the remuneration framework for FY2023, including vesting outcomes, the PC Committee and Board recognised that the executives delivered a high level of performance over the year, whilst operating in a challenging and dynamic business environment.

Executives made significant overall contributions during FY2023, including:

- Progression of a downstream joint venture with POSCO for development of a 43ktpa lithium hydroxide plant in South Korea, including securing the balance of debt funding;
- Field interactions at an average rate of 2.93 per 1000 hours worked at Pilgangoora, of which interactions satisfying specific required quality standards averaged 1.42 per 1000 hours worked at Pilgangoora;
- Production[1] performance increase of 64% from FY2022 to FY2023;
- Costs per tonne of spodumene concentrate produced[2] being $931/dmt; and
- Share price appreciation of 114% and total shareholder return of 127%[3].

[1] Production in the Audited Remuneration Report includes spodumene concentrate and lower grade middlings material, the latter converted to lithia tonnes on a ~5.3% basis

[2] Unit operating cost in the Audited Remuneration Report includes mining, processing, and site based general and administration costs and is net of tantalite by-product credits. It is calculated on an incurred cost basis (including accruals) and includes capitalised deferred mine waste development cost. Unit cost is calculated on a units of production basis, production includes spodumene concentrate and lower grade middlings materials (converted to lithia units on a ~5.3% basis).

[3] Sourced from Bloomberg for FY23 (1 July 2022 to 30 June 2023)

When setting the executive remuneration framework for FY2023, the PC Committee and the Board sought to ensure executives' fixed remuneration was at or around the 50th percentile of the market and their maximum total remuneration (inclusive of both fixed and variable performance-based remuneration) was within the 50-75th percentiles. Competitive fixed and performance tested total remuneration are in the best interests of the Company as we continue to promote a strong, performance-based culture.

FY2023 Fixed Remuneration

Based on the external market benchmarking review process against a comparative group of peer companies for existing executive KMPs and market considerations for new executive KMPs, fixed remuneration for executive KMPs in FY2023 was as follows:

Name	Role	Fixed Remuneration[1]
Dale Henderson	MD and CEO	$1,250,000
Alex Eastwood	CCLO/CS	$700,000
Luke Bortoli	CFO	$775,000
Vince De Carolis	COO	$680,000

[1] Inclusive of superannuation.

FY2023 STI Outcomes

Following the end of FY2023, the Board determined STI vesting in respect of performance against pre-defined STI performance targets. Each executives' STI comprises 75% business performance measures and 25% individual performance measures.

Business performance measures (75%)

The below table summarises the business targets:

Measure	Achievement	Vesting result	Outcome[1]	Maximum
Safety (20%)				
Total recordable injury frequency rate (TRIFR) target and safety interactions per hours worked at the Pilgangoora project that satisfied the required quality standards	The recorded TRIFR at end-June 2023 was 4.69 (FY2022: 4.40) which is below threshold of 4.0. Thel overall safety interaction rate was 2.93 per 1,000 hours (FY2022: 1.24 per 1000 hours) of which specific quality interactions averaged 1.42,which exceeded the target of 1 or more. Per 1000 hours	50%	10%	20%
Gender balance (10%)				
Female employment rate	While the gender diversity target of 24.0% was not met (21.8% actual permanent employees at 30 June 2023) due to the rapid growth in the workforce, absolute number of the female employees has increased with a number of females appointed to key roles.	0%	0%	10%
Production tonnes achieved (30%)				
Spodumene concentrate (annual)	Annual FY2023 production was 624,568 dmt, representing a 65% increase of prior year.	85%	25%	30%
Unit costs (15%)				
Average annual unit cost of production	The average annual unit cost of production was A$931/dmt, was favourable compared to budget.	82%	12%	15%
Business targets outcome			48%	75%

[1] Numbers are rounded to the nearest whole number

Individual performance measure (25%)

The below table summarises the individual performance assessment measure for the MD and CEO. Each individual has targets set within the executive's line of sight and influence, and performance is assessed on demonstrating the Company's core values including personal leadership.

Measure		Vesting result	Achievement
Individual performance (25%) – MD and CEO			
Performance assessment	• 100-day plan (10% weighting) • Culture, Leadership and Strategy (10% weighting) • Executive recruitment (5% weighting)	92%	Achievements included a refreshed strategy and completion of a portfolio design with new executives appointed to enable next phase of long term growth strategy.

The individual performance outcomes for other executive KMPs were also 92% of maximum (equating to 23% out of the 25% maximum).

Overall STI outcomes

As a result of the assessment of each executive's performance against these outcomes for FY2023, the Board approved payment of the following STIs to be paid in cash:

Name	Position	Maximum STI ($)	STI outcome ($)	STI outcome (% of maximum STI)
Dale Henderson	MD and CEO	1,250,000	883,892	70.7%
Alex Eastwood	CCLO/CS	560,000	395,984	70.7%
Luke Bortoli	CFO	137,589	97,291	70.7%
Vince De Carolis	COO	341,304	241,341	70.7%
Former KMP				
Brian Lynn	Former CFO	372,822	263,628	70.7%

Maximum STI and STI outcomes were pro-rated for time served as KMP for part year executive KMP.

LTI – vesting of FY2021 LTI grant

In FY2021, the Company granted options and performance rights to executives under the Award Plan. Vesting of the options was based on total shareholder return (**TSR**) targets, and vesting of the performance rights was based on measures aligned to achieving longer term project and strategic objectives.

The performance conditions for the FY2021 LTI were assessed over a three-year period from 1 July 2020 to 30 June 2023, and vested as follows:

Measure and description	Weight	Targets and result	Vesting outcome
Options			
Relative TSR Company's TSR compared to the peer group (refer to the FY2020 Remuneration Report for peer group constituents)	25%	Relative TSR targets were set between the 50^{th} to 85^{th} percentile against a defined peer group of companies. The Company achieved a relative TSR at the 100^{th} percentile.	100%
Absolute TSR TSR performance over the vesting period, based on compound annual growth rate	25%	Absolute TSR targets were set between 5% and 15% CAGR. The Company achieved a CAGR of >15%.	100%
Performance rights			
Customer diversification and material growth	25%	Company achieving customer diversification with customers aligned to the Company's sustainability objectives and strategic options for material growth.	100%
Global cost competitiveness	25%	Achievement of global cost competitiveness relative to the Company's global peers having regard to the Company's position on the global cost curve and improvements in reducing all in sustaining cash costs.	100%

The Company achieved strong performance across its FY2021 LTI measures, resulting in full vesting of all options and performance rights.

There were three key strategic initiatives delivered over the three-year vesting period that provided customer diversification and material growth:

- The completion of the POSCO downstream joint venture enabling up to 30% equity participation in a 43ktpa LCE chemical facility, which provided both customer diversification and value growth;
- Creation, marketing and deployment of industry leading spot sales platform (BMX Platform) resulting in customer diversification and significant price discovery from a more transparent market for spodumene concentrate; and
- Creation of a midstream product development pathway and finalisation of development joint venture.

The Company was also globally cost competitive relative to peers, being lowest on the cost curve of a group of four new projects, with the exception of an extremely high-grade and long-established project.

The vesting outcomes for each executive for the FY2021 LTI based on the above vesting outcomes are outlined below:

Name	Number granted in FY2021		% Achieved	% Forfeited	Number vested in FY2023	
	Options	Rights			Options[1]	Rights
Dale Henderson	932,642	473,020	100%	0%	932,642	473,020
Alex Eastwood	932,642	473,020	100%	0%	932,642	473,020
Former Executive KMP						
Ken Brinsden	2,072,539	1,051,156	69.4%	30.6%	1,437,895	729,276
Brian Lynn	932,642	473,020	95.2%	4.8%	887,459	450,104
Total	**4,870,465**	**2,470,216**			**4,190,638**	**2,125,420**

[1] The FY2021 options have an exercise price of $0.2339 per share.

The former executive KMP were considered “Good Leavers” in accordance with the Company’s Award Plan and retained a pro rata portion of their unvested awards for future performance testing, which was proportional to the performance period elapsed at their cessation date. The retained awards remain unvested until the relevant performance and vesting conditions are tested at the normal time and satisfied as determined by the Board. The balance of the awards were forfeited on cessation of employment.

Retention options – vesting of FY2020 grant

To retain executives and other selected employees considered pivotal to the achievement of the Company’s strategic objectives, retention options were granted in FY2020 with a three-year vesting period. These options were granted at a critical time in the Company’s development and vested on the basis that the participants satisfied a service condition and remained employed with the Company during the applicable vesting period. The options had an expiry date of 1 May 2023 and an exercise price of $0.3235. The table below summarises the one-off retention options of which 60% vested in FY2023 (40% vested in FY2022).

Name	Role	Number of options vested	Vesting date
Dale Henderson	MD and CEO	1,408,696	31 October 2022
Alex Eastwood	CCLO/CS	1,408,696	31 October 2022
Former Executive KMP			
Ken Brinsden	Former MD	1,878,261	31 October 2022
Brian Lynn	Former CFO	1,408,696	31 October 2022

Other executive KMP sign-on awards

To attract key executives and as compensation for entitlements foregone with their previous organisations, the incoming COO and CFO received one-off sign-on grants of performance rights issued under the Company's Award Plan. Subject to the relevant service conditions and performance conditions acceptable to the MD and CEO being satisfied at the dates outlined below, these rights will vest and automatically convert to shares.

Name	Role	Issue date	Number of performance rights issued	Proportion of rights tested at vesting date	Vesting date
Luke Bortoli	CFO	27 June 2023	384,162	40%	30 June 2024
				60%	30 June 2025
Vince De Carolis	COO	20 December 2022	190,911	40%	30 June 2023
				60%	30 June 2024

The first tranche of the COO's performance rights fully vested on 30 June 2023 based on achievement of performance indicators related to his role and service conditions being met, resulting in 76,364 awards vesting.

Consequences of performance on shareholder wealth

Executive remuneration is aimed at aligning the strategic and business objectives of the Group with the creation of shareholder return. The table below shows statutory measures of the Group's financial performance over the last five years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Measure	2023	2022	2021	2020	2019
Profit/(loss) for the year attributable to owners of Pilbara Minerals Limited ($'000)	2,391,135	561,825	(51,448)	(99,262)	(28,932)
Basic earnings/(loss) pre share (cents)	79.91	18.98	(2.00)	(4.67)	(1.63)
Dividends paid and determined ($'000)	750,280	-	-	-	-
Share price – 30 June	$4.89	$2.29	$1.45	$0.25	$0.55
Increase/(decrease) in share price (%)	113.5	57.9	480.0	(54.1)	(37.4)

d. Executive remuneration framework for FY2023 and year ahead

Pilbara Minerals is committed to providing market competitive remuneration packages that are appropriately positioned to motivate, attract and retain key executives and senior employees through the commodity cycle to deliver on the current and long-term strategic activities of the Company. The PC Committee aims to ensure the remuneration paid to executives is consistent with market conditions and practices and demonstrates a direct correlation to performance and creation of value for shareholders.

FY2023 remuneration framework

Fixed remuneration

For FY2023, executives received fixed remuneration in the form of a base cash salary, plus superannuation. Fixed remuneration is reviewed annually by the PC Committee for recommendation to the Board. The nature and amount of fixed remuneration for executives depends on the nature of the role and market rates for the position, which are determined with the assistance of surveys and reports, taking into account the skill sets, experience and qualifications of each individual and their overall responsibilities.

STI

The below table provides additional detail on the Company's FY2023 STI structure for executives.

Short Term Incentives	
Maximum STI	MD and CEO: 100% of Fixed Remuneration Other executive KMP: 80% of Fixed Remuneration
Delivery	Cash.
Performance period	12 months
Performance targets	The key focus areas and associated weightings of the STI targets for executives were:

Targets	Description	Weighting
Safety	Continued improvement in the Company's safety performance as measured by leading and lagging indicators (quality safety interactions and TRIFR)	20%
Gender balance	Maintenance and growth of the Company's female employment rate	10%
Production tonnes achieved	Production tonnes generate cashflows which are linked to the strength of the Company's financial position	30%
Unit costs	Performance related to unit cost of production	15%
Individual performance	Individual performance evaluations (including supporting 360-degree feedback surveys) and individual achievement of defined short-term objectives related to each executive's responsibilities and areas of influence, as considered appropriate by the PC Committee and approved by the Board.	25%

LTI

The below table summarises the Company's FY2023 LTI structure for executives.

<table>
<tr><th colspan="2">Long Term Incentives</th></tr>
<tr><td>Maximum LTI</td><td>MD and CEO: 150% of Fixed Remuneration
CCLO/CS and CFO: 80% of Fixed Remuneration
COO: 60% of Fixed Remuneration</td></tr>
<tr><td>Delivery</td><td>Performance rights issued under the shareholder approved Award Plan. Number of performance rights was based on a face value of $2.224 per instrument (VWAP of Company's shares for the twenty trading days up to 1 July 2022).</td></tr>
<tr><td>Vesting period</td><td>3 years, with vesting date of 30 June 2025.</td></tr>
<tr><td>Performance targets</td><td>
A mix of relative TSR and strategic targets directed towards the Company's longer term growth, sustainability and carbon reduction objectives, with the intention of aligning executive pay with the creation of shareholder return.

Relative TSR (70% weighting)
The Company's relative TSR comparative peer group was determined based on company sector, size and risk profile, to establish a representative group that reflects peers which the Company may compete with for executive talent. Companies selected in the peer group were:
<table>
<tr><td>Allkem Limited
Champion Iron Limited
Iluka Resources Limited
Lake Resources Limited
Nickel Mines Limited
Piedmont Lithium Limited
Sims Limited</td><td>AVZ Minerals Limited
Core Lithium
IGO Limited
Liontown Resources Limited
Mineral Resources Limited
Sandfire Resources Limited
Vulcan Energy Resources Limited</td><td>BlueScope Steel Limited
Firefinch Limited
Ioneer Limited
Lynas Rare Earths Limited
OZ Minerals Limited
Sayona Mining Limited
29 Metals Limited</td></tr>
</table>
The vesting of this target will follow the below performance:
<table>
<tr><th>Relative TSR</th><th>Vesting</th></tr>
<tr><td>Below 50^{th} percentile</td><td>0%</td></tr>
<tr><td>Between 50^{th} to 75^{th} percentile</td><td>50% to 100% (pro rata straight line)</td></tr>
<tr><td>Above 75^{th} percentile</td><td>100%</td></tr>
</table>
Strategic objectives (30% weighting)
The strategic targets have been selected to align with Pilbara Minerals' growth and diversification strategy, along with the clean energy transition observed in the market. They also have been chosen to reflect the Company's position as a leader in the battery minerals market and its desire to maintain this position.

<u>Demonstration plant (15% weighting)</u>
The Company aims to construct and commission a demonstration plant for the Company's mid-stream project to the satisfaction of the Board before the completion of the vesting period. The demonstration plant as part of the mid-stream project will support generating a higher value and more environmentally friendly lithium product for the battery materials industry.
If the project is considered by the Board to be uneconomic or commercially unviable or a final investment decision is not otherwise made by the Board in respect of the plant, this target will be replaced with either:

a different performance target aligned to the Company's strategic objectives as determined by the Board; or
by default, will be replaced by the TSR performance target, with the weighting of the TSR performance target adjusted accordingly.

<u>Carbon emission reduction (15% weighting)</u>
The reduction pertains to the combined Pilgangoora processing plant facilities, as measured by the reduction of carbon dioxide equivalent (calculated on an annualised basis) measured against the baseline.
</td></tr>
</table>

FY2024 remuneration framework

The FY2024 remuneration mix for executive KMP will remain unchanged from that of FY2023, however this will be reviewed as part of the annual remuneration review process.

STI

The STI opportunity varies by executive, however the measures and weights are consistent across the executives' STI. The targets and associated weightings that have been determined for the executives' FY2024 STI are:

Name	Description	Threshold performance	Weighting
Safety	Continued improvement in the Company's safety performance as measured by leading and lagging indicators, measured using quality safety interactions and TRIFR	Interactions per 1000 hours Quality interactions per leader TRIFR	20%
Culture	Being recognised as an employer of choice in focus area of communication	Improvement to baseline as measured by the annual PLS Culture & Engagement survey	5%
Production tonnes achieved	Annualised spodumene concentrate production targets meeting customer specification requirements	dmt produced	35%
Unit cost	Annualised average unit costs per tonne of spodumene concentrate produced	A$/dmt produced	15%
Individual performance	Individual targets are set for each executive, with each executive receiving an individual performance evaluation		25%

LTI

The FY2024 LTI will remain similar to FY2023, however it will have revised measures, with a refresh of the TSR peer group to align to the Company's recent growth and share price appreciation.

Name	Description	Threshold performance	Weighting
Relative TSR – Resources Peer Group	Relative TSR in a defined TSR peer group of resources companies with market capitalisations greater than $A1billion	50th percentile	40%
Relative TSR – ASX 50 Peer Group	Relative TSR in the ASX 50 in light of the Company's growth	50th percentile	40%
Strategic Growth	Board selected milestones associated with P1000 expansion project to increase production capacity with vesting based on timing of delivery of First Ore relative to market guidance.		20%

e. Remuneration governance

The PC Committee is established by the Board under a formal charter. The PC Committee is comprised of three independent Non-Executive Directors and is chaired by Non-Executive Director, Nicholas Cernotta. The diagram below illustrates Pilbara Minerals' remuneration governance framework, key roles of the PC Committee and related policies.

Board

The Board provides leadership for, and supervision of, the Company's management. The Board defines the Company's purpose and sets the strategic objectives of the Company, and regularly measures the progression by management of those strategic objectives. As such, the Board has ultimate discretion over remuneration decisions, including approving the Company's remuneration framework to ensure alignment with the Company's Remuneration Policy and the purpose, commitments, strategic objectives, and risk appetite of the Company. The Board receives recommendations from the PC Committee and considers them in making their decisions where relevant.

PC Committee

The role of the PC Committee is to advise and make recommendations to the Board on remuneration arrangements for executive and non-executive directors and other executive KMP in accordance with the Company's Remuneration Policy. Each year, the PC Committee makes recommendations to the Board on such remuneration arrangements, including fixed remuneration for executives and all awards and vesting of awards by way of STI and LTI under the Company's Award Plan.

Assists the Board in fulfilling its corporate governance responsibilities in relation to establishing and monitoring the effectiveness of the Company's executive and non-executive remuneration practices.

Advises the Board in relation to the Company's culture, diversity and inclusion policies and practices and those related to the nomination and appointment of directors.

Management

Management is responsible for the day-to-day operations of the Company, and provides input to the PC Committee in their recommendations

Independent external remuneration consultants

Engaged occasionally to provide market related advice, such as assisting with determining the nature of executive roles and market rates for the position.

Further information relating to the role of the PC Committee can be found in its Charter on the Company's website.

Assessing performance and remuneration adjustment

The PC Committee and Board are responsible for assessing executive's performance against vesting conditions and determining the STI and LTI components to be paid based upon reports from management, market conditions and Company performance.

In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may in its discretion cancel or defer performance-based remuneration and may also clawback performance-based remuneration paid in previous financial years.

f. Non-Executive Director remuneration

Non-Executive Director fees and payments are reviewed annually by the PC Committee and Board taking into account comparable roles, market data and the demands and responsibilities placed on directors.

The maximum annual aggregate directors' fee pool, which was approved by shareholders on 17 November 2022, is $1.3 million. In light of the Company's continued growth, and positioning within the ASX 50, a benchmarking exercise was undertaken to ensure ongoing remuneration of the Company's Non-Executive Directors remains appropriate. Consequently, and in line with prevailing market rates, the Board has increased Non-Executive Director fees as set out in the table below.

	From 1 July 2023 $	From 1 July 2022 $
Base fees (annual)		
Non-Executive Chair (including Committee fees)	425,000	285,000
Other Non-Executive Directors	170,000	140,000
Committee Fees (annual)		
Committee Chair	35,000	35,000
Committee Member	18,000	18,000

Non-Executive Directors do not receive any performance incentives.

Non-Executive Director Fee Sacrifice Scheme

In November 2020, the Company's shareholders approved the Non-Executive Director Fee Sacrifice Offer (**Offer**) under the Company's Award Plan for eligible specified Non-Executive Directors at that time, to operate for three years from 1 December 2020. Participation in the Offer does not increase the fee payable to a director.

The Offer provides Non-Executive Directors an opportunity to own Company shares and increase the security holding that will count toward their minimum shareholding requirement (outlined below), by sacrificing a fixed component of their fee each year over a twelve-month period for rights. The rights have only a service condition attached, and automatically vest quarterly into shares. The fees payable to a director are reduced by the value of rights provided under the Offer as set out below.

The number of rights issued is determined by dividing the fee sacrificed for the relevant quarter by the reference price, which is the one-month volume weighted average price (**VWAP**) for the month of November in the year of issue.

A summary of the elections of the eligible Non-Executive Directors under the Offer is summarised below:

	Year 1	Year 2	Year 3
Period	1 Dec 2020 to 30 Nov 2021	1 Dec 2021 to 30 Nov 2022	1 Dec 2022 to 30 Nov 2023
Reference price (one-month VWAP for the month of Nov) % of gross fees salary sacrificed over 12 months	$0.5884	$2.4263	$4.8810
Anthony Kiernan	40%	40%	40%
Nicholas Cernotta	40%	20%	0%
Steve Scudamore	40%	10%	0%
Sally-Anne Layman	40%	0%	0%
Vesting dates	28 Feb 2021 31 May 2021 31 Aug 2021 30 Nov 2021	28 Feb 2022 31 May 2022 31 Aug 2022 30 Nov 2022	28 Feb 2023 31 May 2023 31 Aug 2023[1] 30 Nov 2023[1]

[1] Expected vesting date.

Shares allocated are subject to a disposal restriction and cannot be disposed or dealt with until the earlier of 18 months from each relevant vesting date, or the date the participant ceases to be a director. Additionally, shares allocated are subject to insider trading prohibitions.

Minimum shareholding policy

The Company operates a minimum shareholding policy for Non-Executive Directors. Non-Executive Directors are required to hold shares equal to the value of annual base fees. Non-Executive Directors are encouraged to meet their minimum shareholding within a reasonable timeframe, and no longer than three years from appointment. At the end of FY2023, all Non-Executive Directors have met the minimum shareholding requirement under the policy.

Further details of the minimum shareholding policy can be found on the Company's website.

Non-Executive Director statutory remuneration

Details of the remuneration of the Non-Executive Directors for the 2022 and 2023 financial years are set out in the following table.

	Year	Fixed Remuneration			Variable Remuneration	Total
		Salary and fees	Annual and long service leave	Post-employment benefit	Non-performance shares[1]	
Anthony Kieran	2023	159,101	-	27,081	61,773	247,955
	2022	135,172	-	22,614	83,194	240,980
Miriam Stanborough[2]	2023	159,276	-	16,724	-	176,000
	2022	100,384	-	10,038	-	110,422
Nicholas Cernotta	2023	175,915	-	4,585	4,587	185,087
	2022	126,313	-	12,197	29,905	168,415
Sally-Anne Layman	2023	193,000	-	-	-	193,000
	2022	149,580	-	-	1,127	150,707
Steve Scudamore	2023	168,411	-	18,339	2,292	189,042
	2022	127,906	-	15,568	17,728	161,202
Total Non-Executive Director remuneration						
	2023	**855,703**	**-**	**66,729**	**68,652**	**991,084**
	2022	**639,355**	**-**	**60,417**	**131,954**	**831,726**

1 Non-performance shares issued to Non-Executive Directors relate to the Non-Executive Director Fee Sacrifice Offer.

2 Ms Stanborough was appointed on 4 October 2021.

g. Executive KMP remuneration

Executive KMP contractual arrangements

The arrangements relating to remuneration and other terms of employment for the current and former executive KMPs for the 2023 financial year are set out in the following tables.

Current executive KMP contractual arrangements

Executive KMP	Fixed remuneration[1]	Resignation notice	Termination			Redundancy[2]
			Notice for cause	Notice without cause	In case of illness, injury or incapacity	
Dale Henderson MD/CEO	$1,250,000	6 months if prior to 30 Jul 2025 thereafter 3 months	None	6 months if prior to 30 Jul 2025 thereafter 3 months	Greater of 1 month or NES	NES
Alex Eastwood CCLO/CS	$700,000	3 months	None	6 months	Greater of 1 month or NES	NES
Luke Bortoli CFO	$775,000	12 weeks if prior to 10 April 2024 thereafter 16 weeks	None	12 weeks prior to 10 April 2024, thereafter 6 months	Greater of 1 month or NES	NES
Vince De Carolis COO	$680,000	12 weeks (prior to 13 Nov 2023) thereafter 16 weeks	None	12 weeks prior to 13 Nov 2023, thereafter6 months	Greater of 1 month or NES	NES

1 This amount is the executive KMP's contractual annual fixed remuneration, inclusive of superannuation.

2 Any payment made to the Executive in lieu of notice is set off against National Employment Standards (NES).

Former KMP contractual arrangements

Former executive KMP	Fixed remuneration[1]	Resignation notice	Termination			Redundancy*
			Notice for cause	Notice without cause	In case of illness, injury or incapacity	
Ken Brinsden Former MD (ceased on 30 July 2022)	$850,000	16 weeks	None	12 months	Greater of 1 month or NES	NES
Brian Lynn Former CFO (ceased on 28 February 2023)	$700,000	16 weeks	None	12 months	Greater of 1 month or NES	NES

Executive KMP statutory remuneration

Details of the remuneration of the executive KMP of the Group for the 2022 and 2023 financial years are set out in the following table.

	Year	Fixed Remuneration			Variable Remuneration			Total	Performance Related Remuneration %
		Salary and fees	Annual and long service leave	Post-employment benefit	Non-performance shares[1]	Performance shares[2]	STI Payment[3]		
Executive Director									
Dale Henderson MD/CEO	**2023**	**1,137,208**	**89,410**	**25,292**	**12,647**	**1,804,570**	**883,892**	**3,953,019**	**68%**
	2022	491,432	(43,871)	23,568	48,610	467,787	178,080	1,165,606	55%
Other executive KMP									
Luke Bortoli[4] CFO	**2023**	**170,138**	**13,088**	**6,323**	**-**	**278,376**	**97,291**	**565,216**	**66%**
	2022	-	-	-	-	-	-	-	-
Alex Eastwood CCLO/CS	**2023**	**672,500**	**60,327**	**27,500**	**12,647**	**767,215**	**395,984**	**1,936,173**	**60%**
	2022	452,000	(1,555)	27,500	48,610	467,787	182,880	1,177,722	55%
Vince De Carolis[5] COO	**2023**	**412,404**	**29,205**	**16,862**	**-**	**523,653**	**241,341**	**1,223,465**	**63%**
	2022	-	-	-	-	-	-	-	-
Former executive KMP									
Ken Brinsden[6] Former MD	**2023**	**68,726**	**4,888**	**2,108**	**13,069**	**416,842**	**-**	**505,633**	**82%**
	2022	826,432	(88,423)	23,568	51,845	333,136	404,812	1,551,370	48%
Brian Lynn[7] Former CFO	**2023**	**448,333**	**(38,241)**	**18,333**	**12,647**	**79,290**	**263,628**	**783,990**	**44%**
	2022	452,500	952	27,500	48,610	467,787	178,080	1,175,429	55%
Total executive KMP remuneration									
	2023	**2,909,309**	**158,677**	**96,418**	**51,010**	**3,869,946**	**1,882,136**	**8,967,496**	**64%**
	2022	2,222,364	(132,897)	102,136	197,675	1,736,497	943,852	5,070,127	53%

[1] Non-performance shares issued to executive KMP are related to the Salary Sacrifice Offer and Retention Options. Refer to the Company's FY2020 remuneration report for further detail. The amounts disclosed relate to the non-cash value ascribed to share options under Australian Accounting Standards using the Black Scholes option valuation methodology.

[2] The amounts disclosed relate to the non-cash value ascribed to share options and performance rights under Australian Accounting Standards using the Black Scholes and Monte Carlo valuation methodologies.

[3] 2023 STIs relate to the STI declared for FY2023 that will be paid during the year ended 30 June 2024.

[4] Mr Bortoli was appointed as CFO on 11 April 2023.

[5] Mr De Carolis was appointed as COO on 14 November 2022.

[6] Mr Brinsden ceased as a KMP and MD on 30 July 2022; his formal employment ended with the Company on 6 November 2022. Actual remuneration for Mr Brinsden is shown up until the date he ceased being a KMP. Mr Brinsden received remuneration of $21,478 post 30 July 2022 relating to his fixed term special advisor agreement.

[7] Mr Lynn ceased as a KMP and CFO on 28 February 2023; his formal employment ended with the Company on 8 May 2023. Actual remuneration for Mr Lynn is shown up until the date he ceased as KMP. Mr Lynn received remuneration of $101,969 post 28 February 2023 relating to transition arrangements of the CFO role. This remuneration included role-specific remuneration and FY23 STI paid pro-rata for time served after cessation as KMP.

h. Additional required disclosures

Share Based Payment Expense

Details of the performance right and option share based payment expense for the Non-Executive Directors and executive KMP of the Group for the year ending 30 June 2023 is shown in the table below:

	Year of Grant	Options Granted No.	Performance Rights Granted No.	Non-performance Options ($)	Non-performance Rights ($)	Performance Options ($)	Performance Rights ($)	Total ($)
Non-executive directors								
Anthony Kieran	2023	-	21,137	-	47,595	-	-	47,595
	2022	-	38,218	-	14,178	-	-	14,178
Steve Scudamore	2022	-	6,182	-	2,292	-	-	2,292
Nicholas Cernotta	2022	-	12,365	-	4,587	-	-	4,587
								68,652
Executive Director								
Dale Henderson	2023	-	843,075	-	-	-	1,342,007	1,342,007
	2022	167,150	102,556	-	-	97,448	73,123	170,571
	2021	932,642	473,020	-	-	173,630	118,362	291,992
	2020	2,668,695	173,101	12,647	-	-	-	12,647
								1,817,217
Other executive KMP								
Luke Bortoli	2023	-	494,076	-	-	-	278,376	278,376
Alex Eastwood	2023	-	251,799	-	-	-	304,652	304,652
	2022	167,150	102,556	-	-	97,448	73,123	170,571
	2021	932,642	473,020	-	-	173,630	118,362	291,992
	2020	2,668,695	173,101	12,647	-	-	-	12,647
Vince De Carolis	2023	-	276,425	-	-	-	523,653	523,653
								1,581,891
Former executive KMP								
Ken Brinsden	2021	1,437,895	729,276	-	-	204,666	212,176	416,842
	2020	4,678,261	384,671	13,069	-	-	-	13,069
Brian Lynn	2022	167,150	102,556	-	-	(97,181)	(73,122)	(170,303)
	2021	932,642	473,020	-	-	148,418	101,175	249,593
	2020	2,668,695	173,101	12,647	-	-	-	12,647
								521,848
Total		**17,421,617**	**5,303,255**	**51,010**	**68,652**	**798,059**	**3,071,887**	**3,989,608**

Vesting conditions attached to these options and performance rights are set out in note 2.2.3 of the Financial Statements.

Fair value of performance rights granted

Except for performance rights issued under the Non-Executive Director Fee Sacrifice Offer, performance rights issued as compensation to KMPs are non-cash in nature. The performance rights are valued using the Monte Carlo simulation model (market based conditions) and the Black Scholes option valuation methodology (non-market based conditions) that takes into account the term of performance rights, the share price at grant date and expected volatility of the underlying right, the expected dividend yield, the risk free rate for the term of the right and the correlations and volatilities of the peer companies.

The model inputs for the Performance rights granted during the year included:

	Non-Executive Directors[1] Fee Sacrifice	Executive Director	Other executive KMP				
Exercise price	-	-	-	-	-	-	-
Grant date (for valuation purposes)	20-Dec-22	17-Nov-22	20-Dec-22	27-Mar-23	20-Dec-22	27-Jun-23	27-Jun-23
Expiry date	28-Feb-23, 31-May-23, 31-Aug-23, 30-Nov-23	31-Dec-26	31-Dec-26	31-Dec-26	30-Jun-24	31-Dec-26	31-Dec-25
Share price at grant date	$3.860	$4.900	$3.860	$3.440	$4.990	$4.830	$4.830
Expected volatility	70%	70%	70%	70%	70%	70%	70%
Expected dividend yield	0%	0%	0%	0%	0%	4.50%	4.50%
Risk-free interest rate	3.295%	3.185%	3.295%	3.270%	3.270%	4.065%	4.065%

[1] These performance rights were issued under the Non-Executive Director Fee Sacrifice Offer. The offer allows the sacrifice by Non-Executive Directors of a fixed component of their director fee over a 12 month period for performance rights at a share price of $4.881. The rights have no vesting performance conditions other than a service condition and automatically vest into shares under the Company's Award Plan. Shares issued each quarter are subject to an 18 month disposal restriction.

Exercise of Options granted as Compensation Instruments

During the year, the following ordinary shares were issued on the exercise of options previously granted as compensation.

	No. of shares	Amount paid per share
Brian Lynn [1]	1,114,036	$0.3634
Brian Lynn [2]	1,320,183	$0.3235
Alex Eastwood [1]	1,114,036	$0.3634
Alex Eastwood [2]	1,320,183	$0.3235
Dale Henderson [1]	1,131,329	$0.3634
Dale Henderson [2]	1,312,572	$0.3235

[1] Exercised 1,259,999 options under cashless exercise facility available under the Company Employee Award Plan.

[2] Exercised 1,408,696 options under cashless exercise facility available under the Company Employee Award Plan.

There are no amounts unpaid on any ordinary shares following the exercise of options during the financial year.

Performance Rights over Equity Instruments granted as Compensation Instruments

Details on performance rights over ordinary shares in the Company that were granted during the reporting period as compensation to each KMP and details on performance rights that vested during the reporting period are shown in the following table:

	No. of performance rights granted	Grant date (valuation purposes)	Fair value per performance right at grant date	Expiry date	No. of performance rights vested during the year
Non-Executive directors					
Anthony Kiernan[1]	5,284	20-Dec-22	$3.860	28-Feb-23	5,284
Anthony Kiernan[1]	5,284	20-Dec-22	$3.860	31-May-23	5,284
Anthony Kiernan[1]	5,284	20-Dec-22	$3.860	31-Aug-23	-
Anthony Kiernan[1]	5,285	20-Dec-22	$3.860	30-Nov-23	-
Executive Director					
Dale Henderson[2, 3]	590,153	17-Nov-22	$4.722	31-Dec-26	-
Dale Henderson[2, 3]	252,922	17-Nov-22	$4.900	31-Dec-26	-
Other executive KMP					
Luke Bortoli[3]	76,940	27-Jun-23	$4.308	31-Dec-26	-
Luke Bortoli[3]	32,974	27-Jun-23	$4.421	31-Dec-26	-
Luke Bortoli[3]	153,665	27-Jun-23	$4.620	31-Dec-25	-
Luke Bortoli[3]	230,497	27-Jun-23	$4.421	31-Dec-25	-
Alex Eastwood[3]	176,259	20-Dec-22	$3.531	31-Dec-26	-
Alex Eastwood[3]	75,540	20-Dec-22	$3.860	31-Dec-26	-
Vince De Carolis[3]	59,860	27-Mar-23	$2.753	31-Dec-26	-
Vince De Carolis[3]	25,654	27-Mar-23	$3.114	31-Dec-26	-
Vince De Carolis[3]	190,911	20-Dec-22	$3.860	30-Jun-24	76,364

[1] These performance rights were issued under the Non-Executive Director Fee Sacrifice Offer. Further details are in note 2.2.3 of the Financial Statements.

[2] All performance rights granted to Mr Henderson were approved by shareholders on 17 November 2022.

[3] The performance vesting conditions attached to these performance rights are outlined in note 2.2.3 of the Financial Statements.

Except for performance rights issued under the Non-Executive Director Fee Sacrifice Offer which were issued in exchange for director fees sacrificed, the performance rights have been provided at no cost and expire on the earlier of the expiry date or termination of employment.

Details of Equity Incentives affecting Current and Future Remuneration

Details of vesting profiles of the options and performance rights held by each KMP of the Group during the year ended 30 June 2023 are detailed below.

	Instrument	No. of instruments issued	Grant date[1]	% vested in year	% forfeited in year[2]	Financial year grant vests
Non-Executive Directors						
Anthony Kiernan	Performance Rights	38,218	15-Dec-21	50%	0%	2022/2023
		21,137	20-Dec-22	50%	0%	2023/2024
Steve Scudamore	Performance Rights	6,182	15-Dec-21	50%	0%	2022/2023
Nicholas Cernotta	Performance Rights	12,365	15-Dec-21	50%	0%	2022/2023
Executive Director						
Dale Henderson	Options	2,347,826	13-Dec-19	60%	0%	2022/2023
		932,642	01-Dec-20	100%	0%	2023
		167,150	02-Dec-21	0%	0%	2024
	Performance Rights	473,020	01-Dec-20	100%	0%	2023
		102,556	02-Dec-21	0%	0%	2024
		843,075	17-Nov-22	0%	0%	2025
Other executive KMP						
Luke Bortoli	Performance Rights	109,914	27-Jun-23	0%	0%	2025
		384,162	27-Jun-23	0%	0%	2024/2025
Alex Eastwood	Options	2,347,826	13-Dec-19	60%	0%	2022/2023
		932,642	01-Dec-20	100%	0%	2023
		167,150	02-Dec-21	0%	0%	2024
	Performance Rights	473,020	01-Dec-20	100%	0%	2023
		102,556	02-Dec-21	0%	0%	2024
		251,799	20-Dec-22	0%	0%	2025
Vince De Carolis	Performance Rights	85,514	27-Mar-23	0%	0%	2025
		190,911	20-Dec-22	40%	0%	2023/2024
Former executive KMP						
Ken Brinsden	Options	3,130,435	10-Mar-20	60%	0%	2022/2023
		1,437,895	17-Nov-20	100%	0%	2023
	Performance Rights	729,276	17-Nov-20	100%	0%	2023
Brian Lynn	Options	2,347,826	13-Dec-19	60%	0%	2022/2023
		932,642	01-Dec-20	95.2%	4.8%	2023
		167,150	02-Dec-21	0%	100%	2024
	Performance Rights	473,020	01-Dec-20	95.2%	4.8%	2023
		102,556	02-Dec-21	0%	100%	2024

1 Grant date for accounting purposes.

2 The percentage forfeited in the year represents the reduction from the maximum number of instruments available to vest.

Analysis of Movements in Equity Instruments

The number and total fair value of performance rights over ordinary shares in the Company granted during the reporting period is detailed below.

	Performance rights granted in the year	Fair value of performance rights granted in the year[1] ($)
Non-Executive Directors		
Anthony Kiernan	21,137	81,592
Executive Director		
Dale Henderson	843,075	4,026,022
Other executive KMP		
Luke Bortoli	494,076	2,206,198
Alex Eastwood	251,799	913,956
Vince De Carolis	276,425	981,600

[1] The value of awards and maximum value granted during the year is the fair value of the performance rights calculated at grant date. These amounts are allocated to remuneration over their applicable vesting periods.

Options and Performance Rights over Equity Instruments

The movement during the current financial year, by number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1-Jul-22	Granted	Exercised	Forfeited	Held at 30-Jun-23	Vested and exercisable
Executive Director						
Dale Henderson	3,768,487	-	(2,668,695)	-	1,099,792	932,642
Other executive KMP						
Alex Eastwood	3,768,487	-	(2,668,695)	-	1,099,792	932,642
Former executive KMP						
Ken Brinsden	6,116,156	-	-	-	6,116,156[1]	6,116,156
Brian Lynn	3,768,487	-	(2,668,695)	(212,333)	887,459[2]	887,459

[1] Balance held at the date Mr Brinsden ceased as KMP (30 July 2022).

[2] Balance held at the date Mr Lynn ceased as KMP (28 February 2023).

The movement during the current financial year, by number of performance rights over ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1-Jul-22	Granted	Exercised	Forfeited	Held at 30-Jun-23	Vested during the year	Vested and exercisable
Non-Executive Directors							
Anthony Kiernan	19,110	21,137	(29,678)	-	10,569	29,678	-
Steve Scudamore	3,090	-	(3,090)	-	-	3,090	-
Nicholas Cernotta	6,183	-	(6,183)	-	-	6,183	-
Executive Director							
Dale Henderson	748,677	843,075	(173,101)	-	1,418,651	473,020	473,020
Other executive KMP							
Luke Bortoli	-	494,076	-	-	494,076	-	-
Alex Eastwood	748,677	251,799	(173,101)	-	827,375	473,020	473,020
Vince De Carolis	-	276,425	-	-	276,425	76,364	76,364
Former executive KMP							
Ken Brinsden	1,113,947	-	-	-	1,113,947[1]	-	-
Brian Lynn	748,677	-	(173,101)	(125,472)	450,104[2]	450,104	450,104

[1] Balance held at the date Mr Brinsden ceased as KMP (30 July 2022).

[2] Balance held at the date Mr Lynn ceased as KMP (28 February 2023).

Key Management Personnel Transactions

Movements in Shares

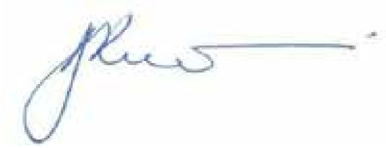
The movement during the current financial year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1-Jul-22	Received on exercise of options/rights	Other changes[1]	Held at 30-Jun-23
Non-Executive Directors				
Anthony Kiernan	469,530	29,678	(69,530)	429,678
Steve Scudamore	242,342	3,090	(60,000)	185,432
Nicholas Cernotta	276,732	6,183	(50,000)	232,915
Sally-Anne Layman	171,652	-	-	171,652
Miriam Stanborough	36,600	-	18,000	54,600
Executive Director				
Dale Henderson	526,587	2,617,002	(1,900,000)	1,243,589
Other executive KMP				
Luke Bortoli	-	-	-	-
Alex Eastwood	125,000	2,607,320	(2,612,320)	120,000
Vince De Carolis	-	39,921	(10,000)	29,921
Former executive KMP				
Ken Brinsden	6,680,392	-	(6,680,392)	-
Brian Lynn	175,000	2,607,320	(2,782,320)	-

[1] Other changes represent shares that were purchased or sold (including via the Share Purchase Plan) during the year or shares held by KMP who resigned in the year.

End of Audited Remuneration Report.

This Directors' Report is made out in accordance with a resolution of the directors:



Anthony Kiernan AM
Chair

Dated this 24th day of August 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Pilbara Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Pilbara Minerals Limited for the financial year ended 30 June 2023 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Derek Meates
Partner
Perth
24 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Revenue from contracts with customers	2.1.1	4,064,019	1,189,591
Operating costs	2.1.2	(776,261)	(380,284)
Gross profit		**3,287,758**	**809,307**
Other (costs) / income		(83)	114
Expenses			
General and administration expense		(41,688)	(20,929)
Acquisition costs expensed		-	990
Exploration and feasibility costs expense	2.2.1	(19,740)	(13,915)
Inventory write-down	2.2.2	-	(588)
Depreciation and amortisation expense		(1,516)	(729)
Share-based payment expense	2.2.3	(12,808)	(5,178)
Operating profit		**3,211,923**	**769,072**
Finance income		191,091	11,330
Finance costs		(30,842)	(55,591)
Net financing income / (costs)	2.3	**160,249**	**(44,261)**
Share of (loss) / profit equity accounted investee	3.2	(606)	208
Profit before income tax expense		**3,371,566**	**725,019**
Income tax expense	2.6.1	(980,431)	(163,194)
Net profit for the period		**2,391,135**	**561,825**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Loss on cash flow hedge	5.1.2.	(4,637)	-
Translation differences on foreign operations	5.1.2	1,865	1,188
Items that will not be reclassified to profit or loss			
Loss on investments taken to equity	5.1.2	(992)	-
		(3,764)	**1,188**
Total comprehensive profit for the period		**2,387,371**	**563,013**
Basic earnings per share (cents)	2.7	79.91	18.98
Diluted earnings per share (cents)	2.7	78.93	18.47

The notes on pages 163 to 216 are an integral part of these consolidated financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	4.1.1	3,338,553	591,739
Trade and other receivables	4.2	132,039	299,145
Inventories	4.3	97,251	69,307
Financial assets	3.3	88	-
Total current assets		**3,567,931**	**960,191**
Non-current assets			
Inventories	4.3	29,121	-
Property, plant, equipment and mine properties	3.1	1,375,545	929,361
Equity accounted investments	3.2	78,929	77,594
Deferred exploration and evaluation expenditure	3.4.1	8,989	9,289
Financial assets	3.3	138,320	1,953
Total non-current assets		**1,630,904**	**1,018,197**
Total assets		**5,198,835**	**1,978,388**
Liabilities			
Current liabilities			
Trade and other payables	4.4	387,212	184,155
Provisions	3.5	6,203	3,494
Borrowings and lease liabilities	5.2	124,331	55,768
Financial liability	3.3	2,984	3,782
Current tax liabilities	2.6.7	773,347	90,148
Total current liabilities		**1,294,077**	**337,347**
Non-current liabilities			
Trade and other payables	4.4	3,880	10,929
Provisions	3.5	41,869	38,250
Borrowings and lease liabilities	5.2	347,618	236,196
Deferred tax liabilities	2.6.5	121,369	63,640
Total non-current liabilities		**514,736**	**349,015**
Total liabilities		**1,808,813**	**686,362**
Net assets		**3,390,022**	**1,292,026**
Equity			
Issued capital	5.1.1	966,230	965,078
Reserves	5.1.2	14,529	9,558
Retained earnings		2,409,263	317,390
Total equity		**3,390,022**	**1,292,026**

The notes on pages 163 to 216 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Notes	Issued capital $'000	Share-based payment reserve $'000	Other reserves $'000	Retained earnings / (accumulated losses) $'000	Total equity $'000
Balance at 1 July 2021		821,391	7,246	-	(254,392)	574,245
Profit for the period		-	-	-	561,825	561,825
Other comprehensive income		-	-	1,188	-	1,188
Total comprehensive profit for the period		-	-	1,188	561,825	563,013
Issue of ordinary shares	5.1.1	137,216	-	-	-	137,216
Share issue costs (net of tax)	5.1.1	2,907	-	-	-	2,907
Issue of options and performance rights	5.1.1 / 5.1.3	3,564	4,582	-	-	8,146
Tax benefit on equity awards issued via share trust	2.6.6	-	6,499	-	-	6,499
Transfer on conversion / forfeiture of awards	5.1.3	-	(9,957)	-	9,957	-
Balance at 30 June 2022		**965,078**	**8,370**	**1,188**	**317,390**	**1,292,026**
Balance at 1 July 2022		965,078	8,370	1,188	317,390	1,292,026
Profit for the period		-	-	-	2,391,135	2,391,135
Other comprehensive income		-	-	(3,764)	-	(3,764)
Total comprehensive profit for the period		-	-	(3,764)	2,391,135	2,387,371
Issue of options and performance rights	5.1.1 / 5.1.3	1,152	11,647	-	-	12,799
Tax benefit on equity awards issued via share trust	2.6.6	-	27,607	-	-	27,607
Transfer on conversion / forfeiture of awards	5.1.3	-	(30,519)	-	30,519	-
Dividends	5.4.1	-	-	-	(329,781)	(329,781)
Balance at 30 June 2023		**966,230**	**17,105**	**(2,576)**	**2,409,263**	**3,390,022**

The notes on pages 163 to 216 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		4,386,963	968,089
Payments to suppliers and employees		(762,604)	(310,884)
Payments for exploration and evaluation expenditure		(17,940)	(9,919)
Interest received		59,609	321
Payments for financial assets		(7,851)	-
Proceeds from government grant		8,000	-
Income taxes paid		(209,484)	-
Net cash inflow from operating activities	4.1.2	**3,456,693**	**647,607**
Cash flows from investing activities			
Payments for property, plant, equipment and mine properties		(385,540)	(128,327)
Investment in equity accounted joint venture, including costs		(76)	(76,198)
Payments for investments		(22,342)	-
Net cash outflow from investing activities		**(407,958)**	**(204,525)**
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of options		1,152	3,564
Proceeds from borrowings		277,165	107,254
Transaction costs related to borrowings		(10,009)	(1,253)
Repayment of borrowings		(183,807)	(27,859)
Repayment of leases		(42,080)	(21,932)
Repayment of customer prepayment		(6,837)	(2,605)
Interest and other costs of finance paid		(20,928)	(11,631)
Dividends paid		(329,781)	-
Net cash (outflow) / inflow from financing activities		**(315,125)**	**45,538**
Net increase in cash held		2,733,610	488,620
Cash and cash equivalents at the beginning of the period		591,739	99,712
Effect of exchange rate fluctuations on cash held		13,204	3,407
Cash and cash equivalents at the end of the period	4.1.1	**3,338,553**	**591,739**

The notes on pages 163 to 216 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1 – BASIS OF PREPARATION

In preparing the 2023 financial statements, Pilbara Minerals Limited ("**the Company**") has grouped notes into sections under six key categories:

1. Basis of Preparation
2. Results for the Year
3. Assets, Liabilities and Provisions supporting Exploration, Evaluation, Mining and Production
4. Working Capital
5. Equity and Funding
6. Other Disclosures

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

All amounts have been rounded to the nearest thousand, unless otherwise stated in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

1.1 Reporting entity

Pilbara Minerals Limited is a listed public company incorporated and domiciled in Australia.
The Company's registered office is at Level 2, 146 Colin Street, West Perth, WA 6005. These consolidated financial statements comprise the Company and its subsidiaries together referred to as the "**Group**". The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

1.2 Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("**AAS**") adopted by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ("**IFRS**") adopted by the International Accounting Standards Board ("**IASB**"). They were authorised for issue by the Board of Directors on 24 August 2023.

The financial report is prepared on a going concern basis, which contemplates continuity of normal business activities including the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated financial statements have been prepared on the historical cost basis except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss or other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

1.3 New and amended accounting standards

All new, revised or amended accounting standards and interpretations issued by the AASB that are mandatory for the current reporting period have been adopted. The adoption of any changes to accounting standards and interpretations did not have any significant impact on the financial performance or position of the Company.

New and Amended standards adopted by the Group

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments – effective date 1 January 2022

AASB 137 Provisions, Contingent Liabilities and Contingent Assets requires an entity to specify the costs that it includes when assessing whether a contract is loss-making.

Standards issued but not yet effective

The Company is yet to assess in detail the potential impacts on its consolidated financial statements of the following, however they are not expected to have a material impact on the consolidated financial statements:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – effective date 1 January 2023* – Requires a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period;
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective date 1 January 2023* – Defers mandatory effective date from 1 January 2022 to 1 January 2023;
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates – effective date 1 January 2023* – Amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies;
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction – effective date 1 January 2023* – Amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations; and
- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture – effective date 1 January 2025* – Amendments require the full gain or loss to be recognised when assets transferred meet the definition of a 'business' under *AASB 3 Business Combinations* (whether housed in a subsidiary or not).

1.4 Basis of consolidation

1.4.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.4.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4.3 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

1.4.4 Joint operations

A joint operation is a contractual arrangement in which the Group shares joint control with other parties and whereby the parties have right to the assets, and obligation for the liabilities relating to the joint arrangement.

The Group has included in the consolidated financial statements, under the appropriate classifications, its share of the assets, liabilities, revenue and expenses of joint operations.

1.5 Foreign currency translation

1.5.1 Functional and presentational currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

1.5.2 Transactions and balances

Foreign currency transactions are translated into foreign currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss.

1.5.3 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the average exchange rates during the period.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling Interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

1.6 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Judgements and estimates which are material to the financial report are found in the following sections:

- Note 2.1.1 – measurement of provisional pricing for sales revenue
- Note 2.2.3 – measurement of share-based payment transactions
- Note 3.1 – estimation of ore resources and reserves and deferred stripping costs
- Note 3.1 – impairment testing for non-financial assets
- Note 3.1 – judgements relating to lease extension options
- Note 3.3 – judgements in relation to fair value measurement of financial instruments
- Note 3.5 – measurement of mine rehabilitation provision and non-current employee leave benefits
- Note 4.3 – estimation of selling prices and cost to completion for any net realisable value calculations of inventory
- Note 4.3 – judgements in relation to the classification of work in progress stockpiles as current or non-current
- Note 4.4 – contract liability initial fair value measurement

NOTE 2 – RESULTS FOR THE YEAR

2.1 Revenue and operating costs

2.1.1 Revenue from contracts with customers

Accounting policy

Revenue from contracts with customers

The Group primarily generates revenue from the sales of spodumene concentrate to customers. The Group also sells tantalum with the revenue from the sale of this by-product credited to the costs of producing spodumene concentrate.

Product sales

Revenue is recognised when control of the product has passed to the customer based upon the agreed cost, insurance and freight (CIF) terms. For spodumene concentrate there are three performance obligations with the first recognised when the product is loaded onto the ship, with revenue from shipping and insurance recognised over the period of the journey. Tantalum sales have only one performance obligation, being that the material is collected from the mine site, with revenue recognised at the time of collection.

Customer sales contracts can contain provisional pricing at the time the product is delivered to the vessel, with the final pricing determined at a later time when the relevant pricing information is available. The provisional pricing related to quality and quantity of the product is included in sales to customers under contracts. Provisional pricing related to market-based pricing indices are accounted for as an embedded derivative in accordance with *AASB 9 Financial Instruments* and disclosed separately as other revenue.

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all material contingencies relating to the sale have been resolved.

	2023 $'000	2022 $'000
Sales to customers under contracts	4,315,533	1,162,235
Other revenue - provisional pricing adjustments	(250,586)	27,356
Cash flow hedge close out [1]	(928)	-
	4,064,019	1,189,591

[1] The Company purchases Australian dollar call options to manage foreign exchange risk. Option contracts are measured at fair value and classified as other financial assets with movements in fair value recognised in Other Comprehensive Income (OCI), upon maturity of the option contract, the fair value is recycled to profit or loss (note 3.3).

Sales to customers under contracts during FY2023 include $39.0M (2022: nil) sales of medium grade (~1.2% Li_2O) middlings concentrate product.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

2.1.2 Operating costs

	2023 $'000	2022 $'000
Mining and processing costs [1]	450,068	286,240
Care, maintenance and operational readiness costs [2]	-	1,922
Royalty expenses	258,254	76,429
Depreciation and amortisation	104,323	44,154
Inventory movement	(34,321)	(23,106)
By-product revenue	(2,063)	(5,355)
	776,261	380,284

[1] Costs include mining, processing, maintenance, offsite logistics, freight and shipping, and site administration.
[2] Costs incurred following the acquisition Ngungaju Lithium Operations Pty Ltd (formerly Altura Lithium Operations Pty Ltd) and are associated with the care and maintenance and subsequent restart of the Ngungaju plant.

2.2 Expenses

2.2.1 Exploration, evaluation and feasibility expenditure

Accounting policy

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each "area of interest". Each "area of interest" is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation costs are expensed in the year they are incurred, apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned, or the Directors decide that it is not commercially viable, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

Exploration and evaluation assets are transferred to Mine Properties in Development once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are included in testing for impairment, and any impairment loss is recognised, prior to being reclassified.

Feasibility, development and research costs are expensed as incurred except where it is demonstrated that there is a clearly defined and separately identifiable asset which is commercially and technically feasible with recognisable future economic benefits.

Accounting policy

Government grant

Government grants relating to expenses are deferred and subsequently recognised in profit or loss over the period required to match them with the expenses that they are intended to compensate.

	2023 $'000	2022 $'000
Exploration and evaluation costs	8,381	3,178
Feasibility and development study costs	11,359	10,245
Impairment of exploration and evaluation assets (note 3.4.1)	-	492
	19,740	13,915

2.2.2 Inventory write-down

	2023 $'000	2022 $'000
Inventory write-down	-	588

During FY2022 the Group recognised an inventory write-down of $0.6M across ROM and crushed ore stockpiles that were considered uneconomic.

2.2.3 Share-based payment expense

Accounting policy

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to holders of equity-based instruments (including employees) are generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

In determining the fair value of share-based payments granted, a key estimate and judgement is the volatility input assumed within the pricing model. The Group uses historical volatilities to determine an appropriate level of volatility expected, commensurate with the expected instrument's life.

The share-based payment expense included within the statement of profit or loss can be broken down as follows:

	2023 $'000	2022 $'000
Share options expense	1,184	2,245
Performance rights expense	11,624	2,933
	12,808	5,178

Share options

No options were granted during the year ended 30 June 2023.

The number and weighted average exercise prices of unlisted share options are as follows:

	2023		2022	
	Weighted average exercise price	No. of options	Weighted average exercise price	No. of options
Outstanding at 1 July	$0.36	28,889,657	$0.36	46,548,920
Exercised during the period	$0.34	(20,855,682)	$0.46	(12,392,457)
Forfeited during the period	$0.92	(287,013)	$0.24	(6,261,582)
Granted during the period	-	-	$1.40	994,776
Outstanding at 30 June	$0.28	7,746,962	$0.36	28,889,657
Exercisable at 30 June		7,412,662		10,190,487

The classes of the unlisted options on issue as at 30 June 2023 are as follows:

Expiry date	Options issued	Exercise price	Number of options not yet exercised
31 December 2024 [a]	7,532,525	$0.234	7,412,662
31 December 2025 [b]	501,450	$1.404	334,300

[a] The vesting conditions attached are:

- Up to 50% vest upon the Company achieving specified relative TSR targets (between the 50th to 85th percentile) against a defined peer group of companies measured over the 3 year vesting period; and
- Up to 50% vest upon the Company achieving specified absolute TSR targets (compound annual growth rate between 5% and 15%) over the 3 year vesting period.

[b] The vesting conditions attached are:

- Up to 50% vest upon the Company achieving specified relative TSR targets (between the 50th to 75th percentile) against a defined peer group of companies measured over a 3 year vesting period;
- Up to 30% vest upon achievement of an increase in annual production run rate to between 580,000 to 850,000 tonnes of spodumene concentrate or higher for at least one full quarter during the 3 year vesting period achieved through expansions or acquisitive growth; and
- Up to 20% vest upon achievement at any time during the 3 year vesting period a renewable energy target of at least 30% of the Pilgan Plant's energy requirement.

Unless stated, there are no other vesting conditions applicable to options on issue.

Performance rights

The following table shows performance rights granted during the year ended 30 June 2023 and the value attributed to each right granted, by the category holder:

Classification	No. of performance rights	Vesting date	Fair value $/Right	Total value $'000
Non-Executive Director[1]	5,284	28-Feb-23	3.86	20
Non-Executive Director[1]	5,284	31-May-23	3.86	20
Non-Executive Director[1]	5,284	31-Aug-23	3.86	20
Non-Executive Director[1]	5,285	30-Nov-23	3.86	20
Executive Director	590,153	30-Jun-25	4.72	2,787
Executive Director	252,922	30-Jun-25	4.90	1,239
Other KMP	176,259	30-Jun-25	3.53	622
Other KMP	75,540	30-Jun-25	3.86	292
Other KMP	59,860	30-Jun-25	2.75	165
Other KMP	25,654	30-Jun-25	3.11	80
Other KMP	76,364	30-Jun-23	3.86	295
Other KMP	114,547	30-Jun-24	3.86	442
Other KMP	76,940	30-Jun-25	4.31	331
Other KMP	263,471	30-Jun-25	4.42	1,165
Other KMP	153,665	30-Jun-24	4.62	710
Other Employee	38,745	30-Apr-23	4.46	173
Other Employee[2]	164,830	31-Aug-23	4.46	735
Other Employee	668,184	30-Jun-25	3.53	2,359
Other Employee	286,362	30-Jun-25	3.86	1,105
Other Employee	193,049	30-Jun-25	2.75	531
Other Employee	82,735	30-Jun-25	3.11	258
Other Employee	27,368	30-Nov-24	4.66	128
Other Employee	41,053	30-Nov-25	4.46	183
Other Employee	95,979	30-Nov-24	4.42	424
Other Employee	143,969	30-Nov-25	4.23	609
Other Employee	770,534	30-Nov-24	4.29	3,308
Other Employee	1,155,800	30-Nov-25	4.11	4,749
Other Employee[2]	14,572	31-Aug-23	4.47	65
Other Employee	90,544	30-Jun-24	4.44	402
Other Employee	90,543	30-Jun-24	4.47	405
Other Employee	85,101	30-Jun-25	4.19	356
Other Employee	36,472	30-Jun-25	4.31	157
Other Employee	29,909	30-Jun-23	4.90	146
Other Employee	511,481	30-Jun-24	4.68	2,396

[1] These performance rights were issued to non-executive directors and relate to the participation under the Non-executive Director Fee Sacrifice Scheme approved by shareholders on 17 November 2020, which allows non-executive directors to sacrifice a component of their director fees each year for performance rights that have no performance conditions other than a service condition attached to their vesting. Shares issued on their conversion each quarter are subject to an 18 month disposal restriction unless the participant ceases to be a director before that date.

[2] These performance rights were issued to employees under the Company's performance based Short Term Incentive Scheme where employees could elect to exchange 50% of their FY2022 short term incentive for equity in the Company. Under the scheme, the Company agreed to match the number of performance rights granted with the same number of additional performance rights on a 'one for one' basis where employees elected to take the performance rights with a 12 month vesting period. The performance rights have no performance conditions other than a service condition during the vesting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

The performance rights on issue as at 30 June 2023 are as follows:

Date performance rights granted[1]	Vesting date	Number of performance rights
17 November 2020[a]	30 June 2023	729,276
1 December 2020[a]	30 June 2023	3,030,298
22 April 2021[b]	31 March 2024	253,017
2 December 2021[c]	30 June 2024	1,075,474
17 November 2022[d]	30 June 2025	843,075
25 November 2022[e]	31 August 2023	164,830
9 December 2022[e]	31 August 2023	14,572
9 December 2022[c]	30 June 2024	181,087
20 December 2022[f]	30 June 2023	76,364
20 December 2022[g]	31 August 2023	5,284
20 December 2022[g]	30 November 2023	5,285
20 December 2022[f]	30 June 2024	114,547
20 December 2022[d]	30 June 2025	1,206,345
27 March 2023[d]	30 June 2025	361,298
8 May 2023[h]	30 November 2024	770,534
8 May 2023[h]	30 November 2025	1,155,800
15 May 2023[h]	30 November 2024	95,979
15 May 2023[h]	30 November 2025	143,969
19 May 2023[h]	30 November 2024	27,368
19 May 2023[h]	30 November 2025	41,053
8 June 2023[i]	30 June 2025	121,573
23 June 2023[j]	30 June 2023	29,909
23 June 2023[k]	30 June 2024	129,360
23 June 2023[l]	30 June 2024	382,121
27 June 2023[i]	30 June 2025	109,914
27 June 2023[k]	30 June 2024	153,665
27 June 2023[m]	30 June 2025	230,497

[1] This is the grant date used for valuation purposes and not the date the performance rights are issued.

[a] The performance vesting conditions are:

- Up to 50% vest on 30 June 2023 upon the Company achieving customer diversification and strategic options for material growth, including integration in the lithium supply chain via downstream or upstream transaction opportunity; and
- Up to 50% vest on 30 June 2023 upon achievement of global cost competitiveness relative to the Company's global peers

[b]The vesting conditions are:
- 100% vest on 31 March 2024, subject to the employee remaining in service at that date.

[c]The performance vesting conditions are:
- Up to 50% vest on 30 June 2024, upon the Company achieving specified relative TSR targets (between the 50th to 75th percentile) against a defined peer group of companies measured over a 3 year vesting period;
- Up to 30% vest on 30 June 2024, upon achievement of an increase in annual production run rate to between 580,000 to 850,000 tonnes of spodumene concentrate or higher for at least one full quarter during the 3 year vesting period achieved through expansions acquisitive growth; and
- Up to 20% vest on 30 June 2024, upon achievement at any time during the 3 year vesting period a renewable energy target of at least 30% of the combined Pilgangoora Plant's energy requirement.

[d]The performance vesting conditions are:
- Up to 70% vest on 30 June 2025, upon the Company achieving specified relative TSR targets (between the 50th to 75th percentile) against a defined peer group of companies measured over a 3 year vesting period; and
- Up to 30% vest on 30 June 2025, upon achievement of sustainability targets.

[e]The vesting conditions are:
- 100% vest on 31 August 2023, subject to the employee remaining in service at that date.

[f]The performance vesting conditions are:
- Up to 40% vest on 30 June 2023 and up to 60% vest on 30 June 2024 subject to performance conditions being satisfied.

[g]These performance rights have no vesting conditions attached other than a service condition. They are issued under the 2020 Non-Executive Director Fee Salary Sacrifice Offer whereby non-executive directors are able to sacrifice a component of their fee for performance rights. Shares allocated post vesting each quarter are subject to disposal restrictions and cannot be disposed or dealt with until the earlier of 18 months from the relevant vesting date or the date the participant ceases to be a director.

[h]The performance vesting conditions are:
- Up to 40% vest on 30 November 2024, subject to the employee remaining in service at that date and achievement of total budgeted production from 1 December 2022 – 30 November 2024; and
- Up to 60% vest on 30 November 2025, subject to the employee remaining in service at that date and achievement of total budgeted production from 1 December 2024 – 30 November 2025.

[i]The performance vesting conditions are:
- Up to 70% vest on 30 June 2025, upon the Company achieving specified relative TSR targets (between the 50th to 75th percentile) against a defined peer group of companies measured over a 3 year vesting period; and
- Up to 30% vest on 30 June 2025, upon achievement construction and commissioning of the demonstration plant and carbon emission reduction pertaining to the combined mine site processing plant facility at Pilgangoora.

[j]The vesting conditions are:
- 100% vest on 30 June 2023, subject to the employee remaining in service at that date.

[k]The performance vesting conditions are:
- Up to 100% vest on 30 June 2024, subject to the employee remaining in service at that date and performance conditions being satisfied.

[l]The vesting conditions are:
- 100% vest on 30 June 2024, subject to the employee remaining in service at that date.

[m]The performance vesting conditions are:
- Up to 100% vest at 30 June 2025, subject to the employee remaining in service at that date and performance conditions being satisfied.

2.3 Net financing income / (costs)

Accounting policy

The Group's finance income and finance costs include:

- interest income and interest expense;
- foreign exchange gains and losses;
- income from sale of financial investments;
- movement in fair value of foreign currency hedges;
- movement in fair value of financial assets;
- derivative fair value movements;
- unwinding of the discount on site rehabilitation provisions; and
- gains and losses on derivatives related to financing activities.

Interest income or expense is recognised using the effective interest method.

In addition to contracts with customers, the Group receives interest income from monies held in its bank accounts. Interest revenue is recognised on an accruals basis based on the interest rate, deposited amount and time which lapses before the reporting period end date.

Net financing income / (costs) are analysed as follows:

	2023 $'000	2022 $'000
Interest income on bank accounts	73,892	651
Financial asset - fair value movement [1]	114,823	1,953
Net foreign exchange gain	1,578	8,726
Foreign currency contracts - net changes in fair value	798	-
Finance income	191,091	11,330
Deferred consideration fair value movement [2]	-	(37,212)
Interest expense - leases (note 5.2.1)	(6,726)	(3,207)
Interest expense - borrowings	(17,419)	(8,582)
Amortised borrowing costs [3]	(4,853)	(1,446)
Net movement in financial liability at amortised cost	(713)	(981)
Foreign currency contracts - net changes in fair value	-	(3,570)
Unwind of discount on site rehabilitation provision	(1,131)	(593)
Finance costs	(30,842)	(55,591)
Net finance income / (costs) recognised in profit or loss	160,249	(44,261)

[1] Represents fair value movement of a call option granted by POSCO to increase the Company's interest in the incorporated downstream joint venture (POSCO - Pilbara Minerals Lithium Solutions Co Ltd) from 18% to 30% (see note 3.3).

[2] This represents the fair value movement in the variable deferred consideration pursuant to the acquisition of Ngungaju Lithium Operations Pty Ltd (formerly Altura Lithium Operations Pty Ltd) that was settled during the prior year.

[3] The current year amortised borrowing costs includes the expensing of residual borrowing costs ($3.3M) following the full repayment of the Secured syndicated debt facility in March 2023.

2.4 Operating segments

The Group has one reportable operating segment which is exploration, development and mining of minerals in Australia. The Group has no single reliance upon any one of its customers.

The Group's operating segment has been determined with reference to the information and reports the chief operating decision makers use to make strategic decisions regarding Company resources.

Due to the size and nature of the Group, the Managing Director is considered to be the chief operating decision maker. Financial information is reported to the Managing Director and Board as a single segment and all significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

2.5 Personnel expenses

Accounting policy

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

The table below sets out personnel costs expensed during the year:

	2023 $'000	2022 $'000
Wages and salaries (including superannuation)	113,501	50,530

2.6 Income tax

Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that future taxable profits will be available (convincing evidence is required) against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Tax consolidation legislation

Pilbara Minerals and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Pilbara Minerals recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group.

Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

2.6.1 Income tax expense

	2023 $'000	2022 $'000
Current income tax		
Current year	923,474	99,554
	923,474	99,554
Deferred income tax		
Origination and reversal of temporary differences	56,957	21,161
Utilisation of tax losses	-	108,825
Recognition of previously unrecognised tax losses and deferred tax liabilities	-	(66,346)
	56,957	63,640
Income tax expense	980,431	163,194

2.6.2 Reconciliation of income tax expense

	2023 $'000	2022 $'000
Profit before tax	3,371,566	725,019
Tax at the statutory rate of 30% (2022: 30%)	1,011,470	217,506
Tax effect of:		
Non-deductible expenses:		
- Share-based payment expense	3,842	1,553
- Other non-deductible items	1,239	107
Employee share trust payments	(812)	(493)
Capital losses not recognised	-	10,867
Investment at fair value	(35,033)	-
Prior year adjustments	(275)	-
	980,431	229,540
Recognition of previously unrecognised tax losses and deferred tax liabilities	-	(66,346)
Income tax expense	980,431	163,194

2.6.3 Amounts recognised in equity

	2023 $'000	2022 $'000
Current and deferred income tax attributable to equity and not recognised in net profit or loss		
Business related capital allowances	772	2,907
Payments for shares	27,607	6,499
Reserves	2,412	-
	30,791	9,406

2.6.4 Reconciliation of carry forward losses

	2023 $'000	2022 $'000
Tax effected balances at 30%		
Carried forward tax losses at 1 July	-	108,825
Tax losses recouped during the period	-	(108,825)
Carried forward recognised tax losses	-	-

Set out below are the Company's capital tax losses for which no deferred tax asset has been recognised.

	2023 $'000	2022 $'000
Unrecognised capital tax losses	65,941	65,941
Potential tax benefit at 30%	19,782	19,782

2.6.5 Deferred tax balances

	2023 $'000	2022 $'000
Deferred tax asset		
Capital feasibility expenditure	2,469	1,263
Provision for employee entitlements	2,193	1,223
Capital allowances	1,242	1,999
Rehabilitation liability provision	12,228	11,300
Trade and other payables	4,146	1,588
Net financial assets / liabilities	3,182	769
Leasing assets and liabilities	1,351	653
Unrealised foreign currency losses	-	706
Other	282	-
	27,093	19,501
Deferred tax liability		
Inventories	(3,562)	(890)
Borrowing costs	(15)	(27)
Property, plant and equipment	(142,106)	(80,815)
Other financial assets	-	(586)
Tenement expenditure	(974)	(579)
Unrealised foreign currency gains	(1,380)	-
Other	(425)	(244)
	(148,462)	(83,141)
Net deferred tax liability	(121,369)	(63,640)

2.6.6 Tax benefit from share trust awards

During the year, options and performance rights that were granted in previous financial years vested. Upon these grants vesting, the Company issued new shares via the Pilbara Minerals Employee Award Plan Trust ('the Trust'). These new shares were purchased by the Trust at the prevailing market value, with the market value being deductible to the Company for tax purposes. In accordance with *AASB 112 Income Taxes*, where the market value paid for these shares exceeds the recognised value of the related share-based payment expense, then the tax benefit of any such excess is required to be recognised in equity.

During the current year, a tax benefit of $27.6M (2022: $6.5M) was recognised in equity which related to shares issued via the Trust.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2023

2.6.7 Current tax liabilities

	2023 $'000	2022 $'000
Balance at 1 July	90,148	-
Income tax expense	923,474	99,554
Amounts recognised in equity	(30,791)	(9,406)
Tax payments made to tax authorities	(209,484)	-
Current tax liabilities	773,347	90,148

2.7 Earnings per share

	2023	2022
Basic earnings per share		
Net profit attributable to ordinary shareholders ($'000)	2,391,135	561,825
Issued ordinary shares at 1 July ('000)	2,976,848	2,898,982
Effect of shares issued ('000)	15,310	61,034
Weighted average number of ordinary shares used in calculating basic earnings per share at 30 June ('000)	2,992,158	2,960,016
Adjustment for calculation of diluted earnings per share ('000)	37,387	81,037
Weighted average number of ordinary shares used in calculating diluted earnings per share at 30 June ('000)	3,029,545	3,041,053
Basic earnings per share (cents)	79.91	18.98
Diluted earnings per share (cents)	78.93	18.47

NOTE 3 – ASSETS, LIABILITIES AND PROVISIONS SUPPORTING EXPLORATION, EVALUATION, MINING AND PRODUCTION

This section focuses on the exploration, evaluation, development, mining and processing assets which form the core of the Group's business, including those assets and liabilities that support those activities.

3.1 Property, plant, equipment and mine properties

Accounting policy

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using an appropriate method (either straight line, diminishing value or units of production basis) over either the estimated useful life or the estimated resource. Depreciation is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Office equipment 2 to 20 years
- Plant and equipment 2 to 20 years
- Motor vehicles 3 to 5 years
- Mine properties Units of production basis over the life of mine
- Deferred stripping Units of ore extracted basis over the life of component ratio
- Leased equipment Over the shorter of the lease term and the life of the asset

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted appropriately.

Leased assets

The Group recognises all right of use assets and liabilities, except for leases that are short-term (12 months or less) and low value leases at the lease commencement date. The lease liability is measured at the present value of the future lease payments and includes lease extension options when the Group is reasonably certain that it will exercise the option.

The present value of future lease payments is determined by discounting future lease payments using the interest rate implicit in the lease or, if that rate cannot be determined, then the Group's incremental borrowing rate.

The right of use asset, at initial recognition, reflects the lease liability and is depreciated over the term of the lease. The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease.

The Group includes right of use leased assets separately in Property, Plant, Equipment and Mine Properties disclosures.

All new contracts are assessed on an ongoing basis to determine if a right of use asset exists and if they require recognition under the requirements of *AASB 16 Leases*.

Accounting policy

Mine properties

Mine properties in development

Development expenditure relates to costs incurred to access a mineral resource, the determination of technical feasibilities and conducting market and finance studies. It represents those costs incurred after the technical and commercial viability of the identified project has been demonstrated and an identified mineral reserve or project is being prepared for production (but is not yet in production).

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred. Capitalisation of development expenditure ceases once the mining project is capable of commercial production, at which point it is transferred into the relevant category of Property, Plant and Equipment depending on the nature of the asset and depreciated over the useful life of the asset.

Development expenditure includes the direct costs of construction, pre-production costs, borrowing costs incurred during the construction phase, reclassified feasibility, exploration and evaluation assets (acquisition costs) and subsequent development expenditure on the reclassified project.

These costs are not amortised. The carrying value is assessed for impairment whenever the facts and circumstances suggest that the carrying amount of the asset may exceed the recoverable amount.

Mine properties in production

All development expenditure incurred once a mine property is in commercial production is immediately expensed to the Statement of Profit or Loss except where it is probable that future economic benefits will flow to the Group, in which case it is capitalised as Mine Properties in Production.

Amortisation is provided on a unit of production basis which results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable mineral reserves).

A regular review is undertaken to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

Deferred stripping

Stripping activity costs incurred are assessed to determine whether the benefit accruing from that activity is likely to provide access to ore that can be used to produce ore inventory, or whether it also provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for the costs of that stripping activity in accordance with the principles of *AASB 102 Inventories*. A stripping activity asset is brought to account if it is probable that a future economic benefit (in the form of improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of ore tonnes for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to ore ratio exceeds the life of component expected 'life of component' ratio and presented within mine properties in production. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on a mine plan.

An identified component of the ore body is typically a subset of the total ore body of the mine. The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs. The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis.

Accounting policy

Impairment of non-financial assets

The Group assesses at each reporting date, whether there are indications that an asset may be impaired. If impairment indicators or triggers exist, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the assets, or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. It is not always necessary to determine both an asset's fair value less costs to sell and its value in use. If either of these amounts exceeds the asset's carrying amount, the asset is not impaired, and it is not necessary to estimate the other amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Mineral rights

Mineral rights are capitalised exploration and evaluation acquisition costs transferred from Deferred Exploration and Evaluation Expenditure upon a decision to mine, as well as other intangible assets that are transferred from Mine Properties in Development upon completion of development and commencement of commercial production.

Key estimates and judgements

i) Resources

Resources are estimates of the amount of saleable product that can be economically extracted from the Group's mine properties. In order to calculate resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements, short and long-term commodity prices and exchange rates.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group determines and reports ore resources under the Australian Code of Reporting for Mineral Resource and Ore Reserves (2012), known as the JORC Code. The JORC Code requires the use of reasonable assumptions to calculate resources. Due to the fact that economic assumptions used to estimate resources may change from period to period, and geological data is generated during the course of operations, estimates of resources may change from period to period. Changes in reported resources may affect the Group's financial results and financial position in a number of ways, including:

- Asset carrying values may be impacted due to changes in estimates of future cash flows;
- Amortisation charged in the profit or loss statement may change where such charges are calculated using the units of production basis;
- Decommissioning, site restoration and environmental provisions may change due to changes in the estimated resources after expectations about the timing or costs of the activities change; and
- Recognition of deferred tax assets, including tax losses.

ii) Deferred stripping

The Group defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates such as estimates of waste tonnes to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life of component ratio and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio). Any resulting changes are accounted for prospectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

3.1 Property, plant, equipment and mine properties

	Property, plant and equipment $'000	Right-of-use lease assets $'000	Mine properties in production $'000	Mine properties in development $'000	Mineral rights $'000	Mine rehabilitation $'000	Total $'000
At 30 June 2022							
Cost	1,813	88,256	536,207	174,241	181,338	21,804	1,003,659
Accumulated depreciation	(1,004)	(33,177)	(36,357)	-	(3,015)	(745)	(74,298)
Net book value	809	55,079	499,850	174,241	178,323	21,059	929,361
Opening net book value	282	23,647	368,764	183,830	179,926	19,451	775,900
Additions	665	68,816	145,517	60	-	-	215,058
Change in rehabilitiation provision estimate	-	-	-	-	-	1,951	1,951
Disposals	-	(14,611)	-	(4,054)	-	-	(18,665)
Transfers	-	-	5,595	(5,595)	-	-	-
Depreciation charge	(138)	(22,773)	(20,026)	-	(1,603)	(343)	(44,883)
Net book value	809	55,079	499,850	174,241	178,323	21,059	929,361
At 30 June 2023							
Cost	5,136	195,555	968,699	164,811	181,338	23,769	1,539,308
Accumulated depreciation	(1,432)	(60,968)	(89,334)	-	(10,850)	(1,179)	(163,763)
Net book value	3,704	134,587	879,365	164,811	170,488	22,590	1,375,545
Opening net book value	809	55,079	499,850	174,241	178,323	21,059	929,361
Additions	3,323	123,673	264,618	158,444	-	-	550,058
Change in rehabilitiation provision estimate	-	-	-	-	-	1,965	1,965
Disposals	-	-	-	-	-	-	-
Transfers	-	-	167,874	(167,874)	-	-	-
Depreciation charge	(428)	(44,165)	(52,977)	-	(7,835)	(434)	(105,839)
Net book value	3,704	134,587	879,365	164,811	170,488	22,590	1,375,545

At 30 June 2023 the Group had outstanding contractual capital commitments of $178M (2022: $8M) which are expected to be settled prior to 30 June 2024.

3.2 Equity accounted investments

Accounting policy
The Group's interests in equity accounted investments comprises an interest in an associate. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investments, until the date on which the Group ceases to have significant influence.

	2023 $'000	2022 $'000
Equity accounted investment	78,929	77,594

Pilbara Minerals holds an 18% equity interest in POSCO-Pilbara Minerals Lithium Solution Co. Ltd ("JV Co"), with the remaining 82% held by POSCO Holdings ("POSCO"). The JV Co was established to construct and operate a downstream 43ktpa lithium hydroxide monohydrate processing facility in South Korea ("Conversion Facility") Pilbara Minerals investment in JV Co and its rights as a shareholder are outlined in a Shareholders Deed between the two parties dated 26 October 2021.

Pilbara Minerals' initial 18% ownership interest is held by the wholly owned subsidiary Pilbara Minerals Korea JV Pty Ltd ("PMK JV"). Under the terms agreed with POSCO, PMK JV has the ability to increase its shareholding to 30% through the exercise of a Call Option (note 3.3.2).

The Company's 18% ownership interest in JV Co was funded by a five-year $79.6M Convertible Bond issued by Pilbara Minerals Limited to POSCO. Under the Convertible Bond Agreement, Pilbara Minerals has issued 79,603,050 convertible bonds at a face value of $79.6M to POSCO's wholly owned Australian subsidiary POS-LT Pty Ltd (note 5.2). The proceeds received by Pilbara Minerals Limited were applied to funding PMK JV's 18% equity contribution to JV Co ($75.7M). The key terms of the convertible bonds are:

- term of 5 years;
- convertible to ordinary shares in Pilbara Minerals Limited at the Company's election at any time upon notice being provided;
- convertible at a conversion price that is 92.5% of a VWAP of the Pilbara Minerals Limited share price at the time of conversion; and
- interest at 1.5% above the RBA interbank overnight cash rate, which interest accumulates and is payable on redemption or conversion of the Convertible Bonds.

As part of the arrangements agreed with POSCO, the Company entered into an Offtake Agreement to supply up to 315ktpa of spodumene concentrate to JV Co at market pricing for the lesser of 20 years and the life of the Pilgangoora Project.

The Company's 18% interest in JV Co, is recognised as an equity accounted investment in an associate. The following table summarises the financial information on the carrying amount of the Group's interest in JV Co.

	2023 $'000	2022 $'000
Percentage ownership interest	18%	18%
Current assets	94,265	327,558
Non-current assets	597,324	105,461
Current liabilities	(85,619)	(3,411)
Non-current liabilities	(170,807)	(1,438)
Net assets (100%)	435,163	428,170
Group's share of net assets (18%)	78,330	77,071
Feasibility costs capitalised	599	523
Carrying amount of interest in joint venture	78,929	77,594
Translation reserve	3,053	1,188
Revenue	13,065	3,088
Cost of goods sold	(11,839)	(2,721)
Gross profit	1,226	367
General administrative expenses	(10,588)	(575)
Net financing income	1,356	1,365
Income tax benefit	5,210	-
Other comprehensive income	(568)	-
Net (loss) / profit (100%)	(3,364)	1,157
Group's share of (loss) / profit (18%)	(606)	208

The carrying amount of the equity accounted investment is as follows:

	2023 $'000	2022 $'000
Balance at 1 July	77,594	-
Initial recognition of equity accounted investment	-	75,675
Foreign currency differences through translation reserve	1,865	1,188
Share of (loss) / profit - equity accounted investee	(606)	208
Feasibility costs capitalised	76	523
Carrying amount at 30 June	78,929	77,594

3.3 Financial assets and liabilities

Accounting policy

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposure. The underlying principle of the Group's approach to managing foreign currency risk is to convert US dollar sales receipts to Australian dollars. Where there is a high degree of certainty over the US dollar sales receipts (sales within a three-month period), forward foreign exchange contracts are used to help manage the foreign currency exposure (committed hedging). Where there are longer-term US dollar sales receipts which are less certain (in respect of sales volume and selling price), the Group uses option contracts to protect a worst-case position (uncommitted hedging). The volume of hedging and mix of committed versus uncommitted instruments is determined using target return levels with these targets assessed regularly.

Foreign currency option contracts

Option contracts are considered to be cash flow hedges and are classified as financial instruments measured at fair value with movements in fair value recognised in Other Comprehensive Income (OCI).

The Group designates option contracts as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

When a derivative is designated as a hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and is accumulated in the hedge reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI and any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period during which the hedged expected future cash flows would impact profit or loss.

Foreign currency forward contracts

Forward foreign currency contracts are considered to be cash flow hedges and are classified as financial assets measured at fair value, with movements in fair value recognised through profit or loss.

Investments in equity instruments

Investments in equity instruments are measured at fair value through profit or loss (FVTPL). However, on initial recognition only, an entity may elect to present in OCI, changes in the fair value.

Financial assets held at fair value through other comprehensive income (FVOCI)

If an irrevocable election has been made, the fair value gain or loss on the revaluation of an equity investment is recognised in OCI. The irrevocable election is made on an instrument by instrument basis and is not applicable to equity investments held for trading.

Financial assets held at fair value through profit or loss (FVPL)

This category comprises equity investments which are held for trading or where the above election to OCI has not been made. The financial assets are carried on the statement of financial position at fair value with changes in fair value or dividend income recognised in profit or loss.

	2023 $'000	2022 $'000
Financial assets		
Current		
Foreign currency options - FVOCI[2]	88	-
	88	-
Non-current		
POSCO call option (A) - FVPL[3]	116,777	1,953
Foreign currency options - FVOCI[2]	211	-
Listed investments - FVOCI[1]	20,925	-
Listed investments - FVPL[1]	407	-
	138,320	1,953
Financial liability		
Current	2,984	3,782
Foreign currency forwards - FVPL[2]	2,984	3,782

[1]Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

[2]Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Valuation inputs include underlying spot prices, implied volatility, discount curves and time until expiration, expressed as a percent of a year.

[3]Level 3: Inputs are unobservable for the asset or liability.

3.3.1 Derivative financial instruments

Open forward foreign exchange contracts at 30 June 2023 totalled US$199.0M (A$294.8M) at a weighted average exchange rate of 0.6751 with maturity dates from September 2023 to November 2023.

Open foreign currency option contracts at 30 June 2023 totalled US$2.1B at a weighted average strike price of 0.85 with maturity dates from July 2023 to September 2024.

3.3.2 POSCO call option (A)

Under the terms of the Shareholders Deed executed with POSCO (note 3.2) for the acquisition of an 18% interest in JV Co., the Company was granted certain additional rights in the form of four (4) options referred to as Options A through to D (Options). In accordance with *AASB 9 Financial Instruments,* these Options are classified as financial instruments and measured at fair value. The Options are outlined in further detail below.

Call Option (A) – allows Pilbara Minerals to increase its ownership interest in JV Co from 18% to 30%. The Call Option is exercisable at any time up until 18 months following the successful ramp up to 90% of nameplate capacity of the Conversion Facility. Call Option (A) can be exercised at cost (being the original subscription price) (plus 3.58% interest per annum) up until the date the Conversion Facility receives independent battery certification from tier 1 battery producers, and thereafter at fair value.

In the event there are significant cost overruns prior to ramp up of the Conversion Facility which are not capable of being debt financed by the JV Co (up to a maximum gearing limit of 65%), then there is no obligation on either JV party to contribute additional equity to fund such overruns. While there is no obligation to do so, should POSCO decide to contribute additional equity to fund such cost overruns, then the Company can choose to elect to dilute and defer its decision on whether or not to contribute its share of equity contribution until 18 months after the successful ramp up of the Conversion Facility. The following additional options are included in the Shareholders Deed to provide additional rights for the Company:

Call Option (B) – this option allows the Company to return its ownership interest to 18% where it has previously decided not to contribute to cost overruns and therefore elected to dilute its interest in JV Co. This Call Option (B) can be exercised up to 18 months after the successful ramp up of the Conversion Facility at the same valuation that was applied for the equity subscription for the cost overrun.

Put Option (C) – this option allows the Company to exit the JV by selling all of its shares in JV Co to POSCO at the original cost, where there are significant cost overruns during the construction and ramp up of the Conversion Facility.

Milestone Put Option (D) – this option allows the Company to exit the JV and sell all of its shares in JV Co to POSCO at the original cost where the Conversion Facility is delayed in achieving successful ramp up including achievement of certain milestones related to nameplate capacity parameters, product quality specifications or unit operating costs.

Fair value calculation

The Company has used the Black Scholes model to measure the fair value of the Options. The key assumptions of the Black Scholes model include the spot share price, expected volatility, expected life and risk-free interest rate, all of which require judgement. The model also requires specification of the exercise price.

For Call Option A, the spot price is estimated using a discounted cashflow or net present value (NPV) of the projected future cash flows of JV Co. JV Co. is not a listed investment with an observable traded price that could be used as the spot price. A weighted average cost of capital (WACC) of 15.25% (post tax) is applied to the projected future cash flows as well as a minority interest discount (owing to the Company's shareholding being a minority shareholding) and a marketability discount (owing to the project not being traded in a liquid market). The NPV model and projected future cash flows take into consideration other key assumptions for a NPV calculation including construction costs, forecast prices, revenue, operating costs and dates for key project milestones including commissioning and battery certification. The spot price is determined to be $165.9M.

For Call Option A, the other key assumptions of the Black Scholes model are expected volatility of 80%, expected life of 1.5 years, a risk-free interest rate of 3.64% and an exercise price of $57.7M. The exercise price is the cost of the initial investment pro-rated for a 12% shareholding plus interest at 3.58% per annum from 13 April 2022 (completion of conditions precedent as outlined in the Shareholders Deed).

As at 30 June 2023, the fair value of Option A was determined to be $116.8M, representing a $114.8M increase on the fair value recorded at 30 June 2022 of ($2.0M). The primary driver of the increase in valuation was the increase in spot price at 30 June 2023 due to the project progressing further to completion.

As outlined above, Options B, C and D will only be exercised if certain future scenarios occur such as cost overruns (referred to as vesting conditions). The fair value of these options is determined by adjusting the Black Scholes value by a probability factor based on the likelihood that the future scenarios will occur. At the reporting date, this probability was considered to be remote given commissioning of the Conversion Facility remains both on schedule and within budget. Management have therefore determined the fair value of these options is nil.

Sensitivity

The fair value of Option A at 30 June 2023 is $116.8M. The following two sensitivities have been performed over key estimates and would impact the spot price used in the Black Scholes model

- Commodity price for spodumene concentrate and lithium hydroxide. A 10% increase in the commodity price assumption utilised in the NPV model would result in a $23.9M increase in the option value to $140.7M, a 10% decrease in pricing would result in a $23.7M reduction in the option value to $93.1M.
- WACC (post tax). A 1% decrease would result in a $9.8M increase in the option value to $126.6M.

3.4 Exploration and evaluation expenditure

Accounting policy
Refer to note 2.2.1 for the Group's exploration and evaluation expenditure policy.

3.4.1 Exploration and evaluation assets

	2023 $'000	2022 $'000
Costs carried forward in relation to areas of interest in the exploration and evaluation phase	8,989	9,289
Reconciliation: Exploration and evaluation phase		
Carrying amount at the beginning of the year	9,289	9,781
Sale to external party	(300)	-
Impairment (note 2.2.1)	-	(492)
Carrying amount at year end	8,989	9,289

3.4.2 Exploration licence expenditure commitments

The Group has minimum exploration licence commitments as follows:

	2023 $'000	2022 $'000
Within one year	1,182	1,313
Later than one year but less than five years	3,641	3,335
Greater than five years	4,389	4,622

3.5 Provisions

Accounting policy

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are determined by discounting the long-term expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Mine rehabilitation

In accordance with the applicable legal requirements, a provision for site rehabilitation in respect of returning the land to its original state is recognised when land is disturbed.

At each reporting date, the site rehabilitation provision is remeasured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and added to, or deducted from, the related asset, subject to recoverability.

Key estimates and judgements

Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When the factors become known in the future, such differences will impact the mine rehabilitation provision in the period in which the changes become known.

Employee leave benefits

The current provision for employee benefits includes accrued annual leave. The entire amount of the annual leave provision is recognised as current, since the Group does not have the unconditional right to defer settlement for any of the obligations.

The non-current provision for employee benefits includes the liability for long service leave that is not expected to be settled within 12 months from reporting date. The liability for long service leave is measured at the present value of expected future payments for employees predicted to qualify under the minimum service period requirement taking into account future salary levels. Long-term benefits not expected to be settled within 12 months are discounted using market yields at the reporting date based on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflow.

	2023 $'000	2022 $'000
Provisions		
Current		
Employee leave benefits	6,203	3,494
	6,203	3,494
Non-current		
Employee leave benefits	1,108	585
Mine rehabilitation provision	40,761	37,665
	41,869	38,250

Rehabilitation and mine closure costs:	2023 $'000	2022 $'000
Opening balance 1 July	37,665	35,122
Unwinding of discount rate	1,131	592
Adjustments to provision estimates:		
Recognised as adjustment to property plant and equipment (note 3.1)	1,965	1,951
Carrying amount at year end	40,761	37,665

Employee leave benefits movements:	2023 $'000	2022 $'000
Opening balance 1 July	4,079	2,408
Net additional provisions recognised	3,232	1,671
Carrying amount at year end	7,311	4,079

NOTE 4 – WORKING CAPITAL

4.1 Cash and cash equivalents

Accounting policy
Cash and cash equivalents comprise cash balances and call deposits with a maturity of less than or equal to three months from the date of acquisition. The carrying value of cash and cash equivalents is considered to approximate fair value.

4.1.1 Cash and cash equivalents

	2023 $'000	2022 $'000
Bank balances	327,879	84,821
Call and term deposits	3,010,674	506,918
	3,338,553	591,739

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

4.1.2 Reconciliation of cash flows from operating activities

	2023 $'000	2022 $'000
Cash flows from operating activities		
Profit for the period	2,391,135	561,825
Adjustments for:		
- Income tax expense	980,431	163,194
- Income tax paid	(209,484)	-
- Depreciation and amortisation expense	105,839	44,883
- Loss / (profit) on sale of property, plant and equipment	243	(776)
- Net financing (income) / costs	(84,778)	16,426
- Deferred consideration fair value movement	-	37,212
- Payments for financial assets	(7,851)	-
- Feasibility and development study costs written down	-	4,054
- Impairment of deferred exploration and evaluation	-	492
- Unrealised foreign currency (gain) / loss	(6,739)	11,924
- Share-based payment expense	12,808	5,178
- Share of loss / (profit) equity accounted investee	606	(208)
- Business combination acquisition costs	-	(990)
- Proceeds from government grant	8,000	-
Operating profit before changes in working capital and provisions	3,190,210	843,214
Change in trade and other receivables	168,652	(273,349)
Change in trade and other payables	151,664	106,757
Change in provisions	3,232	1,671
Change in inventories	(57,065)	(30,686)
Net cash from operating activities	3,456,693	647,607

4.2 Trade and other receivables

Accounting policy

Trade and other receivables are recognised initially at fair value which is usually the value of the invoice sent to the counterparty and subsequently at the amounts considered recoverable.

	2023 $'000	2022 $'000
Current		
Trade debtors	82,057	288,515
Goods and services tax receivable	22,293	5,476
Security deposits	135	135
Prepayments	7,984	3,652
Other receivables	19,570	1,367
	132,039	299,145

4.3 Inventories

Accounting policy

Finished goods and work in progress ore stockpiles are surveyed and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct materials, direct labour, depreciation and an appropriate portion of fixed and variable production overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Tantalum inventory is treated as a by-product and valued at net realisable value (NRV).

Consumables are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average cost. Any allowance for obsolescence is determined by reference to specific stock items identified.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods and work-in-progress ore stockpiles which are not expected to be processed or sold in the 12 months after the reporting date are classified as non-current inventory.

	2023 $'000	2022 $'000
Current		
Finished goods	32,689	24,096
Work-in-progress[1]	17,717	21,087
Consumables	46,845	24,124
	97,251	69,307

	2023 $'000	2022 $'000
Non-current		
Work-in-progress[1]	29,121	-
	29,121	-

[1] Work-in-progress includes run of mine (ROM) and coarse ore stockpiles.

Inventory is held at cost, except for certain stockpiles held at fair value that were acquired as part of the acquisition of Ngungaju Lithium Operations Pty Ltd (formerly Altura Lithium Operations Pty Ltd).

4.4 Trade and other payables

Accounting policy

Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, and the majority of suppliers are usually payable within 30-60 days' net of recognition. Trade payables are recognised initially at the value of the invoice received from a supplier.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer when the Group has received prepaid consideration from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made. Contract liabilities that are not linked to a specific sales agreement but generally to an offtake agreement are a financial liability initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method with movements recognised in net financing costs. The value of goods transferred to the customer reduces the contract liability.

	2023 $'000	2022 $'000
Current		
Trade payables	29,637	23,364
Accruals	190,479	124,839
Contract liabilities	7,492	6,860
Unearned revenue [1]	8,697	7,675
Other payables (incl provisional pricing)	150,907	21,417
	387,212	184,155

	2023 $'000	2022 $'000
Non-current		
Contract liabilities	3,880	10,929
	3,880	10,929

[1] The current year unearned revenue includes an $8M government grant received under the Modern Manufacturing Initiative (MMI) as part of the Mid-stream Demonstration Plant JV. The grant can be utilised on condition that the final investment decision be made and both joint venture participants are included in the grant agreement.

NOTE 5 – EQUITY AND FUNDING

5.1 Capital and reserves

Accounting policy
Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares are recognised as a deduction from equity, net of any tax effects.

5.1.1 Ordinary shares

	2023		2022	
	$'000	Number ('000)	$'000	Number ('000)
Fully paid ordinary shares	966,230	2,998,187	965,078	2,976,848
Total share capital on issue at 30 June	966,230	2,998,187	965,078	2,976,848
Movements in ordinary shares on issue:				
On issue at 1 July	965,078	2,976,848	821,391	2,898,982
Shares issued during the period:				
Issued as consideration for business combination[1]	-	-	137,216	65,341
Exercise of options / vesting of performance rights	1,152	21,339	3,564	12,525
Share issue costs (net of tax)	-	-	2,907	-
On issue at 30 June	966,230	2,998,187	965,078	2,976,848

[1] During the 30 June 2021 year, the Company completed equity raisings to fund the acquisition of Altura Lithium Operations Pty Ltd (renamed Ngungaju Lithium Operations Pty Ltd). The raisings included a private placement ($118.9M), an institutional entitlement offer ($60.7M) and a retail entitlement offer ($60.6M) which resulted in the issue of 667.1M ordinary shares at a share issue price of $0.36 to raise $240.2M. The consideration paid also included a deferred component which the Company elected to settle by the issue of ordinary shares. At 30 June 2021, this deferred consideration represented 68.8M shares with a fair value of $100M.

In August 2021, the Company agreed to settle the deferred consideration component of the Altura Lithium Operations Pty Ltd acquisition in shares, including a ~5% discount to the 68.8M shares originally agreed to be issued. The 65.3M shares were issued in two equal tranches in August 2021 and October 2021 following shareholder approvals. Prior to settlement, the fair value of the deferred consideration had increased by $37.2M as a result of increases in the Company's share price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Terms and conditions of ordinary shares

Holders of ordinary shares are entitled to receive dividends as determined from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors with respect to any proceeds of liquidations.

5.1.2 Reserves

	2023 $'000	2022 $'000
Foreign currency translation reserve	3,053	1,188
Investment revaluation reserve	(992)	-
Cash flow hedge reserve	(4,637)	-
Other reserves	(2,576)	1,188
Share-based payment reserve (note 5.1.3)	17,105	8,370
	14,529	9,558

Foreign currency translation reserve

	2023 $'000	2022 $'000
Movements in foreign currency translation reserve:		
Balance at 1 July	1,188	-
Transfer to foreign currency translation reserve	1,865	1,188
Balance at reporting date	3,053	1,188

Foreign currency differences arising from the translation of the foreign equity accounted investment were recognised in other comprehensive income and accumulated in the foreign currency translation reserve during the year (note 3.2).

Investment revaluation reserve

	2023 $'000	2022 $'000
Movements in Investment revaluation reserve:		
Fair value change of shares	(1,417)	-
Tax recognised in equity	425	
Balance at reporting date	(992)	-

Changes in the fair value of elected listed investments were recognised in other comprehensive income (note 3.3).

Cash flow hedge reserve

	2023 $'000	2022 $'000
Movements in cash flow hedge reserve:		
Cost of options	(7,851)	-
Fair value at period end (note 3.3)	299	-
Fair value movement recognised in other comprehensive income	(7,552)	-
Reclassified from other comprehensive income to profit or loss (note 2.1.1)	928	-
Tax recognised in equity	1,987	-
Balance at reporting date	(4,637)	-

The Company pays a premium to purchase Australian dollar call option contracts which represents the fair value of the option contract at inception. The premium is initially recognised as a financial asset, with subsequent fair value movements going through the cash flow hedge reserve in OCI. Upon maturity of the option contract, the fair value is recycled to profit or loss as revenue from contracts with customers (refer 3.3).

5.1.3 Share-based payment reserve

	2023 $'000	2022 $'000
Movements in share-based payment reserve:		
Balance at 1 July	8,370	7,246
Share-based payment expense following issue of options and performance rights	11,647	4,582
Tax benefit on equity awards issued via share trust	27,607	6,499
Transfer to retained earnings / (accumulated losses) following exercise or forfeiture of options / performance rights	(30,519)	(9,957)
Balance at reporting date	17,105	8,370

The share-based payment reserve is used to record the fair value of options and performance rights issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

No options were granted during the year ended 30 June 2023.

Performance rights issued to directors and employees during the year and their associated fair value are as follows:

Performance Rights	Grant date (valuation purposes)*	Share price on date of grant	Vesting date	Valuation (dollar per option)
590,153	17 November 2022	4.90	30-Jun-25	4.722
252,922	17 November 2022	4.90	30-Jun-25	4.900
38,745	25 November 2022	4.46	30-Apr-23	4.460
164,830	25 November 2022	4.46	31-Aug-23	4.460
14,572	9 December 2022	4.47	31-Aug-23	4.470
90,544	9 December 2022	4.47	30-Jun-24	4.439
90,543	9 December 2022	4.47	30-Jun-24	4.470
5,284	20 December 2022	3.86	28-Feb-23	3.860
5,284	20 December 2022	3.86	31-May-23	3.860
5,284	20 December 2022	3.86	31-Aug-23	3.860
5,285	20 December 2022	3.86	30-Nov-23	3.860
844,443	20 December 2022	3.86	30-Jun-25	3.531
361,902	20 December 2022	3.86	30-Jun-25	3.860
76,364	20 December 2022	3.86	30-Jun-23	3.860
114,547	20 December 2022	3.86	30-Jun-24	3.860
252,909	27 March 2023	3.44	30-Jun-25	2.753
108,389	27 March 2023	3.44	30-Jun-25	3.114
770,534	8 May 2023	4.60	30-Nov-24	4.293
1,155,800	8 May 2023	4.60	30-Nov-25	4.109
95,979	15 May 2023	4.73	30-Nov-24	4.418
143,969	15 May 2023	4.73	30-Nov-25	4.228
27,368	19 May 2023	4.99	30-Nov-24	4.664
41,053	19 May 2023	4.99	30-Nov-25	4.463
85,101	8 June 2023	4.72	30-Jun-25	4.189
36,472	8 June 2023	4.72	30-Jun-25	4.310
29,909	23 June 2023	4.90	30-Jun-23	4.896
511,481	23 June 2023	4.90	30-Jun-24	4.684
76,940	27 June 2023	4.83	30-Jun-25	4.308
263,471	27 June 2023	4.83	30-Jun-25	4.421
153,665	27 June 2023	4.83	30-Jun-24	4.620

* This is the grant date used for valuation purposes and represents the date performance rights were awarded to employees or directors, it is not the date the performance rights were issued.

All performance rights valuations during the period were performed by an independent third-party valuer. They are valued using the Monte Carlo simulation model (market based conditions) and the Black Scholes option valuation methodology (non-market based conditions) that takes into account the term of performance rights, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield, the risk free rate for the term of the right and the correlations and volatilities of peer companies.

The key inputs used in the measurement of the fair values at grant date of the performance rights were as follows:

	Expected volatility	Expected life	Risk free interest rate (based on government bonds)
	Weighted average		
2023			
17 November 2022	70%	3	3.185%
9 December 2022	70%	3	3.035%
20 December 2022	70%	0.62 to 3 years	3.270% - 3.295%
27 March 2023	70%	3	2.840%
8 May 2023	70%	2 to 3 years	3.065% - 3.170%
15 May 2023	70%	2 to 3 years	3.110 - 3.240%
19 May 2023	70%	2 to 3 years	3.315% - 3.470%
8 June 2023	70%	3	4.015%
23 June 2023	70%	0.5 to 1.46 years	4.160%
27 June 2023	70%	1.22 to 3 years	4.065%
2022			
1 September 2021	75%	1 year	0.010%
16 November 2021	75%	4.13 year	1.015%
1 December 2021	75%	0.21 to 0.96 years	0.525%
2 December 2021	75%	4.08 years	0.935%

Employee share trust

On 24 May 2019 the Company initiated the Pilbara Minerals Employee Award Plan Trust ('the Trust') for the purpose of acquiring fully paid ordinary shares in the Company to satisfy performance rights and options that vest and are exercisable under the Company's Award Plan. As at 30 June 2023 the Trust held nil shares in the Company.

5.2 Borrowings and lease liabilities

Accounting policy

Borrowings

Borrowings are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Lease liabilities

Liabilities arising from contractual arrangements which contain leases are initially measured at the present value of the future lease payments and this initial value reflects the lease asset value. The lease payments include the present value of fixed payments prescribed in the contract; variable lease payments based on an index or prescribed rate; amounts expected to be payable by the lessor under residual value guarantees; and exercise price of any purchase option if it is reasonably certain that the option will be exercised. The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease.

This note provides information about the contractual terms of the Group's interest-bearing borrowings and lease liabilities. For more information about the Group's exposure to interest rate risk, see note 6.1.

	2023 $'000	2022 $'000
Current		
Lease liabilities	63,928	25,285
Secured syndicated debt facility	-	30,483
New secured syndicated debt facility	34,087	-
Secured government debt facility	26,316	-
	124,331	55,768

	2023 $'000	2022 $'000
Non-current		
Lease liabilities	75,161	31,969
Secured syndicated debt facility	-	124,901
New secured syndicated debt facility	115,305	-
Secured government debt facility	74,624	-
Convertible bonds	82,528	79,326
	347,618	236,196

Secured syndicated debt facility

In February 2023, the Company refinanced the existing secured USD syndicated debt facility with a new US$113M 5-year secured syndicated debt facility with improved terms and conditions.

The new secured syndicated debt facility was fully drawn during March 2023 and contains semi-annual USD principal repayments based on straight line amortisation with a variable USD interest rate based on the Secured Overnight Finance Rate ('SOFR') plus a Credit Adjustment Spread ('CAS') and a fixed margin.

As part of the refinance, the previous undrawn working capital facility of US$25M was terminated following the significant increase in cash during the period.

Secured government debt facility

During February 2023, the Company executed a new 10-year A$250M Secured Government debt facility agreement with two Australian Government funding agencies, Export Finance Australia ('EFA') and Northern Australia Infrastructure Facility ('NAIF').

These facilities are provided to the Company to support the P680 Expansion Project. Key terms of each are as follows:

- EFA: USD equivalent of A$125M facility limit (A$53.2M drawn as at 30 June 2023) with semi-annual USD principal repayments and a variable USD interest rate based on SOFR plus a CCAS and a fixed margin; and
- NAIF: A$125M facility limit (A$53.3M drawn as at 30 June 2023) with semi-annual AUD principal repayments and a fixed interest rate.

Debt covenants

The following financial covenants apply to all secured debt facilities (including the new secured Government facility) which are tested on a semi-annual basis. The Group has complied with all financial covenants.

Compliance ratios:

- Gross Leverage Ratio not greater than 3.5:1 until 31 December 2023, not greater than 3.0:1 from 1 January 2024 to 30 June 2025 and not greater than 2.0:1 thereafter;
- Interest Cover Ratio not less than 4.0:1; and
- Net Gearing Ratio not greater than 40%.

In addition, at all times prior to the P680 completion date, the Group must ensure that a minimum liquidity position of A$50M is maintained (reducing to A$30M following P680 Project Completion).

The secured debt facilities include a cash sweep mechanism whereby the Company is required to make mandatory repayments in the event it pays an external dividend or other form of distribution to it's shareholders, including but not limited to a share buyback after 30 September 2023.

5.2.1 Lease liabilities

During the year the following payments associated with lease liabilities have been made:

	2023 $'000	2022 $'000
Principal lease repayments	42,080	21,932
Interest payments on leases (note 2.3)	6,726	3,207
Payments for short-term and low value leases	5,825	1,725
	54,631	26,864

Payments amounting to $132.9M were made during the year under leasing arrangements, but due to the variable nature were not included in the minimum lease payments used to calculate lease liabilities. These payments relate to the total cost of operating the related rental equipment and would include a component of labour and maintenance.

5.2.2 Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Year of maturity	2023		2022	
			Face value $'000	Carrying $'000	Face value $'000	Carrying $'000
Lease liabilities[1]	AUD	2023-2037	157,367	139,089	63,778	57,254
New secured syndicated debt facility[2]	USD	2028	153,394	149,392	-	-
Government debt (EFA)[2]	USD	2033	53,268	50,512	-	-
Government debt (NAIF)[2]	AUD	2033	53,184	50,428	-	-
Convertible bond[3]	AUD	2027	83,084	82,528	79,882	79,326
Secured syndicated debt facility[2]	USD	-	-	-	159,822	155,384

[1] Nominal interest rates on lease liabilities range from 3.50% to 10.17%.
[2] Nominal interest rates on these facilities are based on commercial terms that range between 5.34% and 8.24%.
[3] The nominal interest rate on the convertible bond is 5.10%.

5.2.3 Secured syndicated debt facilities, secured government debt facilities, convertible bond and lease liabilities

	Secured syndicated debt facility $'000	New secured syndicated debt facility $'000	Secured government debt facility $'000	Convertible bonds[1] $'000	Lease liabilities $'000	Total $'000
Balance at 1 July	141,208	-	-	-	25,757	166,965
Additions	27,651	-	-	79,603	53,429	160,683
Interest expense	-	-	-	279	3,207	3,486
Payments	(27,208)	-	-	-	(25,139)	(52,347)
Transaction costs	(777)	-	-	(556)	-	(1,333)
Transaction costs amortised	1,446	-	-	-	-	1,446
Foreign exchange loss	13,064	-	-	-	-	13,064
Balance at 30 June 2022	155,384	-	-	79,326	57,254	291,964
Balance at 1 July	155,384	-	-	79,326	57,254	291,964
Additions	-	171,238	105,927	-	123,915	401,080
Interest expense	7,777	4,254	1,385	3,202	6,726	23,344
Payments	(174,540)	(21,298)	(1,385)	-	(48,806)	(246,029)
Transaction costs		(4,262)	(5,666)	-	-	(9,928)
Transaction costs amortised	4,438	261	154	-	-	4,853
Foreign exchange loss / (profit)	6,941	(801)	525	-	-	6,665
Balance at 30 June 2023	-	149,392	100,940	82,528	139,089	471,949

[1]Pilbara Mineral's initial 18% interest in the equity accounted investment in the incorporated joint venture with POSCO was funded from the $79.6M, five-year Convertible Bonds provided by POSCO (see note 3.2).

5.3 Deed of cross guarantee

Pilbara Minerals Limited and certain of its wholly owned subsidiaries (note 6.3.2) are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly owned entities have been relieved from the requirements to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The companies represent a 'closed group' for the purposes of the class order. The Group entities that are not part of the closed group are Tabba Tabba Tantalum Pty Ltd, Pilbara Lithium Pty Ltd, Mt Francisco Operations Pty Ltd and Pilbara Minerals Korea JV Pty Ltd. Collectively these entities have net assets of $116.3M comprised of equity accounted investments ($78.9M), financial assets ($116.8M), cash and other receivables ($0.2M) and intergroup loans payable ($79.6M).

5.4 Capital management

Capital consists of ordinary share capital, retained earnings, reserves and net debt. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so as to maintain a strong capital base sufficient to maintain future exploration, development and operating activities.

During the year, the Company introduced the Capital Management Framework including a dividend policy. The Capital Management Framework prioritises the allocation of capital to first maintaining safe and reliable operations, as well as near term productivity initiatives designed to maximise cash being generated from existing operations. Net operating cash flow generated are then allocated to:

- Sustaining capital to maintain operational performance
- Further investment into sustainability commitments and initiatives
- Establishing and maintaining balance sheet strength to protect the Company through all commodity price cycles (inclusive of prudent gearing ratios)
- Paying a sustainable dividend to shareholders, with a target dividend payout ratio of between 20-30% of free cash flow.

Free cash flow is defined as statutory cashflow from operating activities less tax paid/payable less sustaining capital (inclusive of capitalised waste mine development).

Free cash flow above and beyond these priorities can then be allocated to further investment to improve the Company's operations, investment in organic and inorganic growth and acquisition opportunities, debt reduction and/or further returns to shareholders.

5.4.1 Dividends

Dividends determined and paid during the year.

	2023		2022	
	Dividends per share Cents	Total $'000	Dividend per share Cents	Total $'000
Interim franked dividend	11.00	329,781	-	-
	11.00	329,781	-	-

Dividends determined and not recognised as a liability.

	2023		2022	
	Dividends per share Cents	Total $'000	Dividend per share Cents	Total $'000
Final franked dividend	14.00	420,498	-	-
	14.00	420,498	-	-

At 30 June 2023 the value of franking credits available (at 30%) was $63.6M (2022: nil). The final dividends recommended after 30 June 2023 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2024.

During the year the Company has established a Profit reserve to record profits generated by the parent entity for the purpose of future dividend distributions by the Company.

NOTE 6 - OTHER DISCLOSURES

6.1 Financial risk management

Accounting policy

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt investment, FVOCI – equity investment, or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI (as described above) are measured at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. The loss allowance is measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Set out below are details of the Group's financial assets and liabilities at the end of the reporting period.

	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	3,338,553	591,739
Trade and other receivables	132,039	299,145
Financial assets	138,408	1,953
Total financial assets	3,609,000	892,837
Financial liabilities		
Trade and other payables	379,720	177,295
Forward foreign currency contracts	2,984	3,782
Contract liabilities	11,372	17,789
Borrowings and lease liabilities	471,949	291,964
Total financial liabilities	866,025	490,830

6.1.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's Board of Directors has ultimate responsibility for setting the Company's risk appetite, for overseeing the risk management framework designed and implemented by management and for satisfying itself that the risk management framework is sound. The Board is also responsible for monitoring and reviewing the Company's risk profile. The Board has established a separate Audit and Risk Committee whose role is set out in the Company's Audit and Risk Committee Charter. The Audit and Risk Committee is responsible for governance of risk management across the Company, leading the strategic direction regarding the management of material business risks and reviewing the effectiveness of the risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to meet all of its financial commitments and maintain the capacity to fund the exploration, evaluation, development and operation of the Pilgangoora Projects and ancillary exploration activities.

The principal financial instruments as at the reporting date include cash, receivables, payables and loan and finance agreements.

Set out below is information about exposures to the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

6.1.2 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash at bank, term deposits as well as credit exposure to trade customers, including outstanding receivables and committed transactions. Credit risk represents the potential financial loss if a customer or counterparty fail to perform as contracted.

The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by only transacting with high credit quality financial institutions.

Credit risk arising from sales of spodumene concentrate to customers is predominately mitigated by sales contracts that require a provisional payment of typically 100 per cent of the provisional value of the sale which is payable by letter of credit when the vessel is loaded. The customer contract also specifies the Standard and Poor's rating required by financial institutions providing the letters of credit as a further measure. Following the spodumene concentrate shipment the final value of the sale is determined, with any additional amounts not covered by a letter of credit arrangement and subject to credit risk invoiced to the customer.

The trade and other receivables balance consist of 62% (2022: 96%) of trade receivables and 17% (2022: 2%) of receivables from the Australian Tax Office for goods and services tax refund.

6.1.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group also manages liquidity risk by producing cash flow forecasts to ensure that there is a clear and up-to-date view of the short to medium term funding requirements and the sources of those funds. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount	Contractual cashflows					
		Total	6 months or Less	Six to 12 months	One to two years	Two to five years	Greater than five years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2022							
Financial liabilities							
Lease liabilities	57,254	63,778	15,868	13,065	19,162	15,684	-
Secured syndicated debt facility	155,384	178,217	18,777	19,769	45,447	94,224	-
Trade and other payables	177,295	177,295	177,295	-	-	-	-
Contract liabilities	17,789	19,023	3,668	3,668	11,687	-	-
Forward foreign currency contracts	3,782	3,782	3,782	-	-	-	-
Convertible bond	79,326	93,393	-	-	-	93,393	-
	490,830	535,488	219,390	36,502	76,296	203,301	-
30 June 2023							
Financial liabilities							
Lease liabilities	139,089	157,367	36,287	35,968	65,149	6,042	13,921
New secured syndicated debt facility	250,332	259,845	30,202	30,202	60,403	139,038	-
Trade and other payables	379,720	379,720	379,720	-	-	-	-
Contract liabilities	11,372	19,023	6,266	6,266	6,491	-	-
Forward foreign currency contracts	2,984	2,984	2,984	-	-	-	-
Convertible bond	82,528	100,511	-	-	-	100,511	-
	866,025	919,450	455,459	72,436	132,043	245,591	13,921

6.1.4 Market risk

Market risk is the risk that changes in market prices (such as commodity price, foreign exchange rates and interest rates) will affect the Group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

During the year the Company continued to sell spodumene concentrate and tantalum concentrate to offshore customers with the sales proceeds denominated in US dollars.

a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency. The Group's Risk Management and Hedging Policy outlines the Group's approach to financial risk management, with the objective of mitigating exposures consistent with the Group's risk tolerances. To manage and mitigate the foreign exchange risk the Group manages future commercial transactions through cash flow management and forecasting.

The Group enters into options and forward exchange contracts to buy and sell foreign currencies at stipulated exchange rates to match anticipated future sales and contracts. Where there is a high degree of certainty over the US dollar receipts, then forward foreign exchange contracts (committed hedging) are used to manage the foreign currency exposure. Where there are longer term US dollar receipts which are less certain, the Group uses option contracts to protect a worst-case position (uncommitted hedging). The volume of hedging and mix of committed versus uncommitted instruments is determined using target return levels with these targets assessed regularly (note 3.3 and 5.1.2).

The Group is exposed to foreign exchange risk principally through holding US dollar denominated cash, borrowings, trade receivables and payables.

The Group's exposure to foreign currency risk at balance date was as follows:

	2023 US$'000	2022 US$'000
Cash and cash equivalents	316,583	240,157
Contract liabilities	7,540	12,255
Borrowings	137,016	110,102
Trade receivables	54,060	198,639
Trade and other payables	100,041	16,574
Forward foreign currency contracts	2,984	3,782

The year-end exchange rate used to recalculate the US dollar dominated balances on 30 June 2023 was 0.6630 (2022: 0.6889).

Group sensitivity

Based on financial instruments held at 30 June 2023, had the Australian dollar strengthened / weakened by 2% (2022: 10%) against the US dollar, with all other variables held constant, the Group's profit for the year would have been $3.7M lower / $3.8M higher (2022: $48.4M higher / $39.6M lower), as a result of foreign exchange gains/losses on translation of US dollar denominated cash, payables, receivables and borrowings.

b) Interest rate risk

Interest rate risk arises from the Group's cash and cash equivalents earning interest at variable rates and from any variable portion of its loans and borrowings.

The significance and management of the risks to the Group are dependent on several factors including:

- Interest rates;
- Level of cash, liquid investments and borrowings and their term; and
- Maturing dates of investments.

At the end of the reporting period, the Group's exposure to interest rate risk and effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	2023 Weighted average interest rate	2023 Balance $'000	2022 Weighted average interest rate	2022 Balance $'000
Cash and cash equivalents	4.67%	3,338,553	1.66%	591,739
Secured USD debt	8.08%	199,904	5.34%	155,384
Convertible bond	5.10%	82,528	1.60%	79,326

The cash and cash equivalent interest rate risk is managed by the Group maintaining an appropriate mix between short-term and floating rate facilities.

Group sensitivity

Based on the financial instruments at 30 June 2023, if interest rates had increased or decreased by 200 basis points from the year end rates, with all other variables held constant, loss and equity for the year would have been $64.3M lower or higher (2022: $1.4M lower or higher based on a 25 basis point change to the year-end rates).

6.2 Related parties

6.2.1 Key management personnel

The following people were considered as key management personnel during the financial year:

Name	Position	Appointed	Resigned
Dale Henderson	Managing Director and CEO Project Director	30 July 2022 4 September 2017	
	Chief Operating Officer	5 March 2018	
Vince De Carolis	Chief Operating Officer	14 November 2022	
Anthony Kiernan	Non-Executive Chair	1 July 2016	
Steve Scudamore	Non-Executive Director	18 July 2016	
Nicholas Cernotta	Non-Executive Director	6 February 2017	
Sally-Anne Layman	Non-Executive Director	20 April 2018	
Miriam Stanborough	Non-Executive Director	4 October 2021	
Alex Eastwood	Chief Commercial and Legal Officer and Company Secretary	1 September 2016	
Luke Bortoli	Chief Financial Officer	11 April 2023	
Brian Lynn	Chief Financial Officer	22 June 2016	11 May 2023
Ken Brinsden	Managing Director and CEO	18 January 2016	30 July 2022

Key management personnel compensation comprised the following:

	2023 $	2022 $
Short term employee benefits	5,805,825	3,673,174
Post-employment benefits	163,147	162,553
Share-based payments (non-cash)	3,989,608	2,066,126
	9,958,580	5,901,853

Compensation of the Group's key management personnel includes salaries, and contributions to a post-employment defined contribution plan. Information regarding individual directors and executive's compensation and some equity instruments are required to be disclosed by s300A of the Corporations Act and Corporations Regulations 2M.3.03 and are provided in the Remuneration Report section of the Directors' Report.

6.2.2 Other related parties

During the previous year, the Company formed an incorporated joint venture with POSCO Holdings (POSCO) named 'POSCO-Pilbara Minerals Lithium Solution Co Ltd' (**"JV Co"**). The Company holds 18% equity in JV Co through its wholly owned subsidiary Pilbara Minerals Korea JV Pty Ltd. Further information, including transactions during the year is disclosed in note 3.2.

6.3 Group entities

6.3.1 Parent entity

Pilbara Minerals Limited

The consolidated financial statements include the financial statements of Pilbara Minerals Limited and the subsidiaries listed in the following table.

6.3.2 Significant subsidiaries

	Country of incorporation	2023	2022	Party to Deed of Cross Guarantee
Tabba Tabba Tantalum Pty Ltd	Australia	100%	100%	No
Pilbara Lithium Pty Ltd	Australia	100%	100%	No
Pilgangoora Holdings Pty Ltd	Australia	100%	100%	Yes
Pilgangoora Operations Pty Ltd	Australia	100%	100%	Yes
Pilbara Minerals Korea JV Pty Ltd	Australia	100%	100%	No
Mt Francisco Operations Pty Ltd	Australia	100%	100%	No
Ngungaju Lithium Operations Pty Ltd [1]	Australia	100%	100%	Yes

[1] Formerly Altura Lithium Operations Pty Ltd acquired effective 20 January 2021.

6.3.3 Joint operations

The consolidated financial statements incorporate Pilbara Minerals Limited's participating share in the assets, liabilities, revenue and expenses of the following joint operation, in accordance with the accounting policy described in note 1.4.4.

	Country of incorporation	Participating interest	
		2023	2022
Mid-Stream Demonstration Plant JV	Australia	55%	0%

6.4 Parent entity disclosures

Throughout the financial year ending 30 June 2023, the parent company of the Group was Pilbara Minerals Limited. The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

	2023 $'000	2022 $'000
Results of the parent entity		
Profit / (loss) for the period	1,809,398	(97,585)
Total comprehensive profit / (loss) for the period	1,809,398	(97,585)
Financial position of the parent entity at year end		
Current assets	2,839,321	72,784
Total assets	3,174,998	1,004,492
Current liabilities	825,368	114,773
Total liabilities	912,252	260,778
Total equity of the parent comprising of:		
Share capital	966,230	965,078
Share-based payment reserve	17,105	8,370
Investment revaluation reserve	(992)	-
Retained earnings / (accumulated losses)	1,280,403	(229,734)
Total equity	2,262,746	743,714

6.5 Subsequent events

On 24 August 2023, the Directors determined a fully franked final dividend of 14 cents per share to Shareholders with a record date of 6 September 2023 and a payment date of 27 September 2023.

On 2 August 2023, the final investment decision was made to progress the construction and operation of a Mid-Stream Demonstration Plant at the Pilgangoora Operation in a joint venture between Pilbara Minerals Limited and Calix Limited. Estimated construction costs of $104.9M will be partially funded with a $20M Australian Government grant with Pilbara Minerals funding $67.4M of the remaining budgeted construction expenditure.

6.6 Auditor's remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 $	2022 $
Audit services – KPMG	323,644	255,540
Total auditor's remuneration	323,644	255,540

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Pilbara Minerals Limited ('the Company'):

   (a) the consolidated financial statements and notes thereto, as set out on pages 159 to 216, and the Remuneration Report contained within the Directors' Report are in accordance with the *Corporations Act 2001*, including:

      (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) there are reasonable grounds to believe that the members of the extended closed group identified in note 5.3 will be able to meet any obligations or liabilities to which they are, or may become, liable by virtue of the deed of cross guarantee described in note 5.3.

   (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Anthony Kiernan AM
Chair

24 August 2023

KPMG

Independent Auditor's Report

To the Shareholders of Pilbara Minerals Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Pilbara Minerals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group***'s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- The Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of financial asset – POSCO call option (A)
- Revenue recognition

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Valuation of financial asset – Call option ($116,777,000)	
Refer to Note 3.3 to the financial report	
The key audit matter	**How the matter was addressed in our audit**
On 13 April 2022, the Group acquired an 18% investment in an incorporated joint venture named POSCO-Pilbara Minerals Lithium Solution Co Ltd (JV Co). As part of the transaction the Group was granted a call option to acquire an additional 12% of the equity of JV Co. The valuation of the call option is considered to be a key audit matter due to the judgment involved in determining the valuation and consequently required significant audit effort and senior team involvement. Significant judgement was required by us in assessing the Group's estimate of the fair value, including cashflow forecasts and project risking which form part of the call option (derivative asset) associated with the investment.	Our procedures included: • We read the underlying transaction documents to understand the terms of the investment and the nature of each parties' rights and obligations. • We challenged the assumptions associated with POSCO call option (A) that form the basis for the calculation of the fair value of the derivative, including: • We assessed the integrity and consistency of the model used for assessing the value of the JV Co. equity, including the accuracy of the underlying formulas. • We compared the forecast operating cash flows, commodity prices, production volumes and operating costs, capital expenditure estimates contained in the models to the approved Final Investment Decision (FID) model. We compared estimated hydroxide and spodumene prices to observable market forecasts. • Working with our valuation specialists, and considering the risk factors specific to the JV Co, we assessed the scope, objectivity and competence of management experts responsible for the preparation of JV Co. risk discounting methodology. • Working with our financial risk management specialists to assess the reasonableness of the valuation methodology utilised by the Group and sensitivity of inputs. • We assessed the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

KPMG

Revenue recognition ($4,064,019,000)	
Refer to Note 2.1.1 to the financial report	
The key audit matter	**How the matter was addressed in our audit**
The majority of the Group's revenue relates to the sale of spodumene concentrate to customers. Revenue is recognised when control of the product has passed to the customer based upon agreed cost, insurance and freight (CIF) terms. We focussed on this area as a key audit matter due to the quantum of the balance, and the significant audit effort and judgment we have applied in assessing the Group's recognition and measurement of revenue.	Our procedures included: • Evaluating the appropriateness of the Group's accounting policies for revenue recognition against the requirements of AASB 15 and our understanding of the business. • Understanding the Group's process for accounting for revenue against the terms in the customer contracts. • Testing key controls in the revenue recognition process such as the review of sales invoices. • Evaluating key contracts with customers to ensure revenue is recognised in accordance with the requirements of the Accounting Standards. • Testing all spodumene concentrate sales made during the year by agreeing them to underlying documentation such as signed customer contracts, customer invoices, bill of lading, shipping documents to support the satisfaction of the performance obligation. • Recalculating the price for sales, subject to pricing adjustments, to ensure revenue has been recognised accurately in-line with signed sales contracts and to obtain evidence over provisional pricing adjustments posted throughout the period. • Testing of spodumene concentrate sales recognised in subsequent periods to underlying documentation to check revenue recognition in the correct period. • Obtaining significant credit notes recognised post year end to check the Group's recognition of revenue in the correct period. • Reviewing the credit risk of key customers and debtor recoverability against the requirements of AASB 9. • Evaluating the adequacy of the disclosures made in the financials against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Pilbara Minerals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Pilbara Minerals Limited for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Derek Meates
Partner
Perth
24 August 2023

Additional Shareholder Information

As at 15 August 2023

In accordance with Listing Rule 4.10 the following information is provided.

Corporate Governance Statement

The Company's Corporate Governance Statement is available on the Company's website at: http://www.pilbaraminerals.com.au

Security Holders

Substantial Shareholders

The Company had the following substantial shareholders as at 15 August 2023:

- BlackRock Group (BlackRock Inc. and various subsidiaries) - 190,043,220 (Pursuant to Form 604 Notice of change of interests of substantial holder lodged 17 July 2023)
- GFL International Co Limited – 172,684,971 ordinary shares
- JPMorgan Chase & Co (and affiliates) – 151,730,224 (Pursuant to Form 603 Notice of initial substantial holder lodged 3 August 2023)

Number of Holders in each class of equity security and the voting rights attached as at 15 August 2023

Ordinary Shares

There are 101,040 holders of ordinary shares. Each shareholder is entitled to one vote per share.

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There are 5 holders of unlisted options. There are no voting rights attaching to the options.

A total of 4,188,725 options are on issue. The 4,188,725 options, if exercised, will convert into 4,188,725 ordinary shares.

The options have the following exercise prices and expiry dates:

NO. OF HOLDERS	NO. OF OPTIONS	EXERCISE PRICE	EXPIRY DATE
5	3,854,425	$0.2339	31 December 2024
2	334,300	$1.4041	31 December 2025

Performance Rights and Share Rights

There are 104 holders of unlisted performance rights and 1 holder of unlisted share rights. There are no voting rights attaching to the performance rights or share rights.

A total of 9,530,974 performance rights and 10,569 share rights are on issue. The 9,530,974 performance rights and 10,569 share rights, if vested, will automatically convert into 9,541,543 ordinary shares.

The performance rights and share rights have the following exercise price and vesting date:

NO. OF HOLDERS	NO. OF RIGHTS	EXERCISE PRICE	VESTING PERIOD ENDS
5	1,954,896	Nil	30 June 2023
62	179,402	Nil	31 August 2023
1	10,569	Nil	31 August 2023 & 30 November 2023
4	253,017	Nil	31 March 2024
22	1,256,561	Nil	30 June 2024
1	337,258	Nil	30 June 2024
2	129,360	Nil	30 June 2024
2	159,410	Nil	30/06/2023 (40%) & 30 June 2024 (60%)
29	2,234,703	Nil	30 November 2024 (40%) and 30 November 2025 (60%)
35	2,642,205	Nil	30 June 2025
1	384,162	Nil	30 June 2024 (40%) and 30 June 2025 (60%)

Convertible Bonds

There is 1 holder of convertible bonds. There are no voting rights attaching to the convertible bonds. A total of 79,603,050 convertible bonds are on issue.

The conversion price of the convertible bonds is the lessor of the 30-day Volume Weighted Average Price (VWAP) or 5-day VWAP of the Company's shares two days prior to the conversion notice, less a 7.5% discount. The number of ordinary shares to be issued is therefore unknown.

The maturity date of the convertible bonds is 13 April 2027.

Additional Shareholder Information

As at 15 August 2023

Distribution Schedule of the number of holders in each class of equity security as at 15 August 2023

Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF ISSUED CAPITAL
1 to 1,000	42,039	19,485,187	0.65
1,001 to 5,000	33,838	88,427,886	2.94
5,001 to 10,000	10,724	82,533,053	2.75
10,001 to 100,000	13,010	365,554,455	12.17
100,001 and over	1,429	2,447,557,746	81.49
Total	**101,040**	**3,003,558,327**	**100.00**

Unlisted Options expiry date 31/12/2024, exercise price $0.2339

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF OPTIONS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	5	3,854,425	100.00
Total	**5**	**3,854,425**	**100.00**

Unlisted Options expiry date 31/12/2025, exercise price $1.4041

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF OPTIONS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	2	334,300	100.00
Total	**2**	**334,300**	**100.00**

Unlisted Share Rights, vesting period ends 31 August 2023 and 30/11/2023, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	1	10,569	100.00
100,001 and over	-	-	-
Total	**1**	**10,569**	**100.00**

Unlisted Performance Rights, expiring 31/08/2023, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	10	7,738	4.31
1,001 to 5,000	44	124,996	69.67
5,001 to 10,000	8	46,668	26.01
10,001 to 100,000	-	-	-
100,001 and over	-	-	-
Total	**62**	**179,402**	**100.00**

Unlisted Performance Rights, vesting period ends 31/03/2024, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	4	253,017	100.00
100,001 and over	-	-	-
Total	**4**	**253,017**	**100.00**

Unlisted Performance Rights, vesting period ends 30/06/2023 (40%) and 30/06/2024 (60%), nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	1	44,863	28.14
100,001 and over	1	114,547	71.86
Total	**2**	**159,410**	**100.00**

Unlisted Performance Rights, vesting period ends 31/12/2024, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	1	337,258	100.00
Total	**1**	**337,258**	**100.00**

Additional Shareholder Information

As at 15 August 2023

Unlisted Performance Rights, expiry 31/12/2024, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	5	1,954,896	100.00
Total	**5**	**1,954,896**	**100.00**

Unlisted Performance Rights, vesting period ends 31/12/2024, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	1	26,672	20.62
100,001 and over	1	102,688	79.38
Total	**2**	**129,360**	**100.00**

Unlisted Performance Rights, vesting period ends 30/11/2024 (40%) and 30/11/2025 (60%)

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	25	1,778,066	79.57
100,001 and over	4	456,637	20.43
Total	**29**	**2,234,703**	**100.00**

Unlisted Performance Rights, vesting period ends 31/12/2025, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	1	384,162	100.00
Total	**1**	**384,162**	**100.00**

Unlisted Performance Rights, vesting period ends 31/12/2025, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	19	941,770	74.95
100,001 and over	3	314,791	25.05
Total	**22**	**1,256,561**	**100.00**

Unlisted Performance Rights, vesting period ends 31/12/2026, nil exercise price

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF RIGHTS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	32	1,437,417	54.40
100,001 and over	3	1,204,788	45.60
Total	**35**	**2,642,205**	**100.00**

Convertible Bonds, maturity date of the convertible bonds is 13 April 2027.

SPREAD OF HOLDINGS	HOLDERS	UNITS	PERCENTAGE OF OPTIONS ON ISSUE
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	1	79,603,050	100.00
Total	**1**	**79,603,050**	**100.00**

Additional Shareholder Information

As at 15 August 2023

Marketable Parcel

There are 2,258 shareholders with less than a marketable parcel, based on the closing price of $4.82 on 15 August 2023.

Twenty Largest Holders of Each Class of Quoted Security

The names of the 20 largest holders of each class of quoted security, the number of equity securities each holds and the percentage of issued capital each holds (as at 15 August 2023) are set out below:

	NAME	ORDINARY SHARES	
		NUMBER	PERCENTAGE
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	771,976,282	25.70
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	421,287,192	14.03
3	CITICORP NOMINEES PTY LIMITED	266,422,054	8.87
4	GFL INTERNATIONAL CO LTD	87,882,802	2.93
5	GFL INTERNATIONAL CO LTD	84,802,169	2.82
6	POS-LT PTY LTD	82,065,000	2.73
7	NATIONAL NOMINEES LIMITED	77,676,658	2.59
8	BNP PARIBAS NOMS PTY LTD <DRP>	77,202,202	2.57
9	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	45,717,159	1.52
10	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	30,315,284	1.01
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	17,460,278	0.58
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,739,989	0.42
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	11,877,511	0.40
14	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	7,074,600	0.24
15	MR PETER BARRETT CAPP <CAPP FAMILY A/C>	5,200,000	0.17
16	BRINSDEN HOLDINGS PTY LTD <BRINSDEN INVESTMENT A/C>	5,145,957	0.17
17	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,279,484	0.14
18	BNP PARIBAS NOMS(NZ) LTD<DRP>	4,203,030	0.14
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,169,763	0.14
20	MS DANIELLE SHARON TUDEHOPE	3,600,000	0.12
	Top Twenty Shareholders	**2,021,097,414**	**67.29**
	Total Remaining Shareholders	**982,460,913**	**32.71**
	TOTAL SHAREHOLDERS	**3,003,558,327**	**100.00**

Additional Shareholder Information

As at 15 August 2023

Holders Of 20% or More of Unquoted Equity Securities

There was one holder of unquoted equity securities who held 100% of that class, being POS-LT Pty Ltd holding 100% of the Convertible Bonds as at 15 August 2023.

There were nil holders of unquoted equity securities held for all other classes of unquoted equity securities (but excluding securities held under an employee incentive scheme) where the holding was 20% or more of each class of security as at 15 August 2023.

Restricted Securities

The number of restricted securities subject to voluntary escrow on issue at 15 August 2023 and the date that the escrow period ends are set out below:

CLASS OF RESTRICTED SECURITIES SUBJECT TO VOLUNTARY ESCROW	NO. OF HOLDERS	NUMBER OF ORDINARY SHARES	DATE ESCROW PERIOD ENDS
Ordinary shares – ES5	3	14,191	1 September 2023
Ordinary shares – ES6	3	14,191	1 December 2023
Ordinary shares – ES7	3	14,191	2 March 2024
Ordinary shares – ES8	3	14,192	1 June 2024
Ordinary shares – ES9	1	5,284	1 September 2024
Ordinary shares – ES11	1	5,284	1 December 2024
	Total:	**67,333**	

Company Secretary

The name of the Company Secretary is Alex Eastwood.

Address and Details of the Group's Registered Office and Principal Place of Business

Level 2, 146 Colin Street, West Perth WA 6005
Telephone: +61 8 6266 6266
Fax: +61 8 6266 6288

Address and Telephone Details of the Office at which a Register of Securities is kept

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace, Perth WA 6000

Telephone: 1300 850 505
Website: www.computershare.com

Stock Exchange on which the Company's Securities are Quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange – Code: PLS.

On-Market Buy-Back

There is no current on-market buy-back of securities.

Corporate Directory

Board of Directors

Anthony Kiernan AM	Chair (Non-Executive)
Dale Henderson	Managing Director and CEO
Nicholas Cernotta	Director (Non-Executive)
Sally-Anne Layman	Director (Non-Executive)
Steve Scudamore AM	Director (Non-Executive)
Miriam Stanborough AM	Director (Non-Executive)

Company Secretary

Alex Eastwood

Principal registered office in Australia

Level 2, 146 Colin Street
West Perth WA 6005

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Website: www.pilbaraminerals.com.au

Incorporated in Australia

ACN: 112 425 788
ABN: 95 112 425 788
ASX code: PLS

Share Register

Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
Perth WA 6000
Phone: 1300 850 505

Auditors

KPMG
235 St George's Terrace
Perth WA 6000

ACN: 112 425 788
ASX: PLS
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Pilbara Minerals