

Pilbara continues its incredible ride with the Lithium market

Company/ASX Code	Pilbara Minerals Limited/PLS
AGM date	Thursday 17 November 2022
Time and location	2.00pm The University Club of WA
Registry	Computershare Investor Services Pty Ltd
Type of meeting	Hybrid Meeting, physical and online
Poll or show of hands	Poll on all items
Monitor	Kevin Bowman and Dr Lynda Newland
Pre AGM Meeting?	Yes with Chairman Tony Kiernan, Company Secretary Alex Eastwood and Assistant Company Secretary Danielle Webber.

The individuals (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

Proposed Voting Summary

No.	Resolution description	
1	Remuneration Report	For
2	Re-election of Mr Anthony Kiernan as Director	For
3	Re-election of Mr Nicholas Cernotta as Director	For
4	Ratification of Convertible Bonds	For
5	Issue of Employee Performance Rights to Mr Dale Henderson	For
6	Increase in Non-Executive Directors' Fees	For

Summary of ASA Position

Remuneration Report - For

As indicated in the Summary table below, it has been another incredible year for Pilbara Minerals Limited. The Net Profit After Tax increased from a loss of \$51m to a profit of almost \$562m.

Accordingly the share price increased from \$1.45 to \$2.29, an increase of 58%. The Company held a cash balance of \$592m at 30 June 2022. As at 30 June 2020, the share price was 25 cents. There were no capital raisings during the financial year.

Since 1 July 2022, the share price has increased further to \$6.61 in early October 2022.

In July 2022, long serving Managing Director and CEO, Ken Brinsden retired and was replaced by Dale Henderson, the Chief Operating Officer.

The acquisition of the Altura Project from the Administrators, in January 2021, appears to have been a very successful purchase for the Company and its shareholders. The short term goal to restart the Ngungaju plant at Altura, has been achieved over the year.

Pilbara continues its associations with Calix Limited to develop a more environmentally friendly lithium salt product and the production of lithium hydroxide in South Korea with its joint venture (JV) POSCO. The JV with POSCO was announced late October 21.

The Company continues to successfully use the BMX auction platform for part of its sales, although these amount to less than 5% of total sales.

The Company has benefited from the incredible rebound in the lithium market underpinned by the demand for electric vehicles and energy storage technologies.

With total cash of around \$1.3 billion as at 30 September 2022, the Company will inevitably be questioned on its future dividends and we understand that the Company is currently determining a capital management policy.

Summary

(As at FYE)	2022	2021	2020	2019	2018
NPAT (\$m)	\$561.8m	(51.448)	(99.262)	(28.932)	(19.415)
Share price (\$)	\$2.29	\$1.45	\$0.25	\$0.55	\$0.87
Dividend (cents)	0	0	0	0	0
Simple TSR (%)	58%	480%	(54.1%)	(37.4%)	128.9%
EPS (cents)	18.98	(2.00)	(4.67)	(1.63)	(1.19)
CEO total remuneration, actual (\$m)	1.551	2.209	1.168	1.368	1.730

For the FY22, the CEO's total actual remuneration was 16.26 times the annualised Australian Fulltime Adult Average Weekly Total Earnings (based on May 2022 data from the Australian Bureau of Statistics). Actual earnings are ASA defined as the cash payments made during the year (FR, STI, deferred STI, plus any vesting of equity incentives at share price on date of vesting).

Note - For May 2022, the Full-time adult average weekly total earnings (annualised, original) was \$95,436 (<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>, "Full-time adult average weekly total earnings."

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking by the share price at the start of the year.

Re-election of Mr Anthony Kiernan as a Director - For

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.

He is currently a director of NT Minerals Ltd and Genesis Minerals Limited.

The ASA will support the re-election of Mr Kiernan as a Director.

Re-election of Mr Nicholas Cernotta as a Director – For

Mr Cernotta has more than 35 years' experience in the mining industry spanning various commodities and operations in Australia, Africa, South East and Central Asia, Saudi Arabia and Papua New Guinea. He holds a Bachelor of Mining Engineering and has held senior executive roles with extensive experience in both the public and private sectors of the mineral resources industry.

His other current Board roles include Panaromic Resources Limited, New Century Resources and Northern Star Resources Ltd.

The ASA will support the re-election of Mr Cernotta as a Director.

Ratification of Convertible Bonds – For

On 26 October 2021, Pilbara announced that it had entered into a shareholders' agreement with leading South Korean Industrial conglomerate, POSCO, to form an incorporated joint venture (JV) to develop and operate a 43ktpa lithium hydroxide monohydrate conversion facility in South Korea.

The JV aligns with the Company's strategic objective of diversifying into downstream lithium chemical processing and has been formed through the incorporation of a new company in South Korea, POSCO Pilbara Lithium Solutions Co Ltd.

To fund the Initial 18% interest, Pilbara has drawn down \$79,603,050 under the convertible bond agreement. Terms are favourable to Pilbara, a five year repayment term and redeemable at the Company's election at any time.

The interest rate is 1.5% above the RBA cash rate and the conversion to Pilbara shares is at Pilbara's discretion at a 7.5% discount to VWAP.

The ASA will vote undirected proxies in favour of the Resolution.

Issue of Employee Performance Rights to Mr Dale Henderson – For

The company has adopted an employee award plan approved by shareholders as part of its executive remuneration framework which it considers to be appropriate for the Company's current activities and is intended to be aligned with best practice as well as acceptable corporate governance principles.

Mr Henderson is on fixed remuneration of \$1,250, 000 and the proposal is to grant him 150% of his fixed salary or 843,075 shares (at \$2.224) as his LTI. The vesting date is 30 June 2025 and subject

- Relative Total Shareholder Return (TSR) 70%,
- Mid –stream project demonstration plant 15%, and
- Carbon emission reduction, 15%.

The allocation price of \$2.224 was set as at 1 July 2022, date of his appointment

Mr Henderson has 150% of his fixed salary at risk, and based on a recent survey his salary is reasonable for a company of Pilbara's size and market capitalisation.

ASA will support the Resolution.

Increase in Non-Executives Directors' Fees from \$1,100,000 to \$1,300,000 - For

The fees were last increased in 2021 but the market capitalisation of Pilbara has increased substantially since 2021. The increase is considered to be appropriate as it will allow flexibility to introduce additional directors in light of the growth in the company.

ASA will support the Resolution.

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