

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

18 December 2020

Dear Shareholder

**PILBARA MINERALS LIMITED ACCELERATED NON-RENOUNCEABLE PRO-RATA ENTITLEMENT
OFFER - NOW OPEN**

Pilbara Minerals Limited (**Pilbara Minerals** or **Company**) (ASX: PLS) (ACN: 112 425 788) writes to you as an eligible retail shareholder of the Company with a registered address in Australia or New Zealand as of 7.00pm (AEDT) on 16 December 2020 (**Record Date**).

How to Access the Offer

1. **ONLINE** The Retail Offer Booklet and personalised Entitlement Form (including the BPAY® payment details) can be accessed via the Company's offer website: **www.pilbaraoffer.com.au**
2. **PAPER** Request a paper copy of the Retail Offer Booklet and the personalised Entitlement Form from Computershare: 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia)

On 14 December 2020, Pilbara Minerals announced it was conducting a fully underwritten 1 for 7.6 accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary shares (**New Shares**) to eligible existing shareholders to raise approximately A\$121 million (**Entitlement Offer**) at a fixed offer price of A\$0.36 per share (**Offer Price**).

The combined proceeds of the Entitlement Offer and a separate A\$119 million institutional cornerstone placement conducted prior to the Entitlement Offer also conducted at the Offer Price will be used to fund the acquisition of the Altura Lithium Project. Further detail, including in relation to the proposed use of the combined proceeds is contained in Pilbara Mineral's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on 14 December 2020 for further information.

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Macquarie Capital (Australia) Limited (ACN 123 199 548) (**Lead Manager**) is the lead manager, underwriter and bookrunner for the Entitlement Offer.

The Entitlement Offer will comprise:

- an accelerated entitlement offer to eligible institutional and sophisticated investors (**Institutional Entitlement Offer**); and
- a retail entitlement offer for the remaining eligible shareholders with a registered address in Australia or New Zealand as at the Record Date (**Retail Entitlement Offer**).

Pilbara Minerals writes to you as a registered eligible shareholder of the Company as at the Record Date. As an eligible shareholder you will be offered an allocation of 1 New Share for every 7.6 Pilbara Minerals shares that you held as at the Record Date if (and only if) application monies are received via BPAY® prior to the closing date of the Entitlement Offer in accordance with the Retail Offer Booklet and your personalised entitlement form (**Entitlement Form**).

The Offer Price represents a discount of:

- 7.7% to Pilbara Mineral's closing price on 27 October 2020 prior to announcing the proposed acquisition of the Altura Lithium Project and the Entitlement Offer; and
- 58.9% to Pilbara Mineral's closing price on 11 December 2020.

The Retail Entitlement Offer will be open from Friday, 18 December 2020 until 5.00 pm (AEDT) on Monday, 11 January 2021. Pilbara Minerals encourages you to access the Retail Offer Booklet online by following the instructions on the Company's offer website (www.pilbaraoffer.com.au).

ACCESS THE OFFER

An electronic version of the Retail Offer Booklet is available to eligible shareholders, together with a personalised Entitlement Form which will accompany the Retail Offer Booklet, at the Pilbara Minerals Retail Entitlement Offer website (www.pilbaraoffer.com.au).

A printed copy of the Retail Offer Booklet and personalised Entitlement Form is also available upon request by calling the Pilbara Minerals Retail Entitlement Offer Information Line on 1300 214 751 (within Australia) or +61 3 9415 4068 (outside Australia) between 8.30am and 5.00pm (AEDT). Please note that there may be some delays in delivery of the Retail Offer Booklet via post (including because of ongoing disruption caused by COVID-19).

Anyone who wants to acquire shares under the Retail Entitlement Offer will need to follow the "How to apply" and "How to pay" instructions in the Retail Offer Booklet.

Eligible shareholders who do not take up their entitlement under the Retail Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up and will have their interest in Pilbara Minerals diluted as a result.

ACTIONS REQUIRED BY ELIGIBLE RETAIL SHAREHOLDERS

The number of New Shares to which eligible shareholders are entitled (**Your Entitlement**) is shown on the personalised Entitlement Form that accompanies the Retail Offer Booklet which can be accessed by entering your personal details (which are set out at the top of this letter) at the Pilbara Minerals Retail Entitlement Offer website: www.pilbaraoffer.com.au.

The choices available to eligible retail shareholders are described in the Retail Offer Booklet. In summary, eligible retail shareholders may:

- take up all or part of Your Entitlement; or
- do nothing, in which case Your Entitlement will lapse and you will receive no value for those lapsed entitlements.

For further detail, see Section 2 of the Retail Offer Booklet.

If you wish to take up all or part of Your Entitlement, please pay your application monies via BPAY® by following the instructions set out in your personalised Entitlement Form by no later than **5.00pm (AEDT) on Monday, 11 January 2021** (see section 2 and 4.2 to 4.5 of the Retail Offer Booklet).

QUESTIONS

If you have any queries about the Retail Entitlement Offer, please contact the Pilbara Minerals Offer Information Line on:

- 1300 214 751 (within Australia); or
- +61 3 9415 4068 (outside Australia),

between 8.30am and 5.00pm (AEDT) during the Retail Entitlement Offer period.

Yours sincerely



Ken Brinsden

Managing Director and CEO

ABOUT PILBARA MINERALS

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

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

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

IMPORTANT NOTICE AND DISCLAIMER

The Entitlement Offer is being made by Pilbara Minerals in accordance with section 708AA of the Corporations Act as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, meaning that no prospectus or other disclosure document needs to be prepared.

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Pilbara Minerals and the Lead Manager. Each of Pilbara Minerals and the Lead Manager and each of their respective related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective directors, officers, employees, partners, consultants, contractors, agents and advisers disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

This letter is issued by Pilbara Minerals. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

UNITED STATES DISCLAIMER

This letter, the Retail Offer Booklet, the Entitlement Form and each other announcement in relation to the Entitlement Offer do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer or solicitation would be illegal. Neither this letter, nor the Retail Offer Booklet, nor the Entitlement Form, nor any other announcement in relation to the Entitlement Offer may be distributed or released in the United States. The offer and sale of the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they are registered under the U.S. Securities Act and any applicable United States state securities laws (which Pilbara Minerals is not obligated to do), or are offered and sold pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.