

18 December 2020

Dear Shareholder

PILBARA MINERALS LIMITED ACCELERATED NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On 14 December 2020, Pilbara Minerals (**Pilbara Minerals**) (ASX: PLS) (ACN 112 425 788) 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 (**Placement**) 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.

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

This notice is to inform you about the Entitlement Offer and to explain why unfortunately you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares.

You are not required to do anything in response to this letter but there may be financial implications for you to consider as a result of the Entitlement Offer that you should be aware of.

DETAILS OF THE ENTITLEMENT OFFER

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer and Placement have already closed and the results were announced to ASX on 16 December 2020. Pilbara Minerals has today lodged a retail offer booklet with ASX, which sets out further details in respect of the Retail Entitlement Offer (**Retail Offer Booklet**).

ELIGIBILITY CRITERIA

Pursuant to section 9A(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and Listing Rule 7.7.1(a) of the ASX Listing Rules, Pilbara Minerals has determined that it would be unreasonable to make offers to Pilbara Minerals shareholders in certain countries in connection with the Retail Entitlement Offer. This is because of the small number of Pilbara Minerals shareholders in each of those countries, the number and value of fully paid ordinary shares those Pilbara Minerals shareholders hold and the potential cost of complying with the applicable laws and regulations and the requirements of any regulatory authority in jurisdictions outside Australia and New Zealand.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as stated below. Accordingly, in compliance with the Corporations Act and ASX Listing Rules, Pilbara Minerals wishes to inform you that it will not be extending the Retail Entitlement Offer to you, Pilbara Minerals will not be sending a copy of the Retail Offer Booklet to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- are registered as holders of fully paid ordinary shares in Pilbara Minerals as at 7.00pm (AEDT) on 16 December 2020 (**Record Date**);
- as at the Record Date, have a registered address on the Pilbara Minerals share register that is in Australia or New Zealand or are persons that Pilbara Minerals has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- are not in the United States and not acting for the account or benefit of a person in the United States;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer.

Notwithstanding the above, Pilbara Minerals may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer, subject to compliance with applicable laws.

NON-RENOUNCEABLE ENTITLEMENT OFFER

As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable. Entitlements in respect of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse. A number of New Shares equal to the number that you would otherwise be entitled to subscribe for under the Retail Entitlement Offer will be subscribed for by the Lead Manager and/or the sub-underwriters at the Offer Price. As a result, no amount will be payable by you and you will not otherwise receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of ASX (www.asx.com.au).

FURTHER INFORMATION

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call 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). For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Thank you for your continued support of Pilbara Minerals and I trust you understand Pilbara Minerals' position on this matter.

Yours faithfully



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 and does not and will not form any part of any contract for the acquisition of entitlements or Pilbara Minerals shares. 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 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 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.