

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Pilbara Minerals Limited

ABN

95 112 425 788

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,154)	(1,154)
(b) development - feasibility	(485)	(485)
(c) production	-	-
(d) staff costs	(815)	(815)
(e) administration and corporate costs	(1,041)	(1,041)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	396	396
1.5 Interest and other costs of finance paid	(3,775)	(3,775)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(315)	(315)
1.9 Net cash from / (used in) operating activities	(7,189)	(7,189)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(88)	(88)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – mine properties in development	(30,422)	(30,422)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	300	300
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(30,210)	(30,210)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	28,857	28,857
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	51	51
3.4	Transaction costs related to issues of shares, convertible notes or options	(2,242)	(2,242)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(97)	(97)
3.7	Transaction costs related to loans and borrowings	(333)	(333)
3.8	Dividends paid	-	-
3.9	Other (*) (restricted cash)	2,868	2,868
3.10	Net cash from / (used in) financing activities	29,104	29,104

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	87,248	87,248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,189)	(7,189)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30,210)	(30,210)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	29,104	29,104
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	78,953	78,953

* During June 2017 the Company received bond proceeds of \$132.3M (US\$100M) following settlement of a senior secured bond facility. Upon settlement the bond proceeds were deposited into an escrow account pursuant to the terms and conditions of the bond. At settlement, the Company was also required to deposit into the escrow account sufficient cash proceeds to meet the first bond interest payment due on 21 September 2017. This balance represents the release of cash from the escrow account to fund the interest payment made on 21 September 2017.

Whilst bond proceeds are held in escrow they are classified as “restricted cash”. Access to these funds held in the escrow account will be restricted until the satisfaction of a cost to complete test expected to be carried out during the December 2017 quarter, following which funds will be withdrawn from the escrow account to meet construction and development payments associated with the Pilgangoora Project.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	72	118
5.2 Call deposits	78,881	87,130
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	78,953	87,248

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	216
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	127,567	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 21 June 2017 the Company completed settlement of a US\$100M senior secured bond facility. The bonds were issued by the Company's wholly owned subsidiary Pilgangoora Operations Pty Limited and are administered by the bond trustee, Nordic Trustee ASA. The coupon rate is 12% per annum with interest payable quarterly in arrears. The facility amount shown above of \$127.6M has been restated to reflect the closing foreign exchange rate at 30 September 2017.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	984
9.2 Development – feasibility and mine properties in development	71,131
9.3 Production	-
9.4 Staff costs	870
9.5 Administration and corporate costs	1,077
9.6 Other (*) (provide details if material)	5,776
9.7 Total estimated cash outflows	79,838

* Other cash flows include \$3.8M for interest payments due under the senior secured bond facility and \$1.6M of costs relating to settlement of a foreign exchange call option contract.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	L45/412	Surrendered	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	L45/434	Application	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 26 October 2017

Print name: Alex Eastwood

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.