# Australian Industry Participation (AIP) Plan Executive Summary

## 1. General Project Details

**Company Name:** Pilbara Minerals Limited (ASX:PLS)

**Description of the project:**
The Pilgangoora Lithium-Tantalum Project (2Mtpa) (**Project**) is 100%-owned and will be developed by Pilbara Minerals Limited (**PLS**). The Pilgangoora pegmatite deposit is the second largest hard rock lithium deposit in the world. The Project is one of the world’s most important new lithium development projects and will become a key participant in the rapidly growing global supply chain for the lithium-ion battery industry.

The Definitive Feasibility Study (**DFS**) completed in September 2016 demonstrated the technical and financial viability of the Project as a 2Mtpa development. Drilling results subsequent to completion of the DFS now underpin a 40-year mine life based on the 2Mtpa operation. The Project is on an aggressive delivery program and PLS is currently targeting commissioning of the plant and associated infrastructure during Q2 of 2018. On 27 June 2017, the Clean Energy Finance Corporation confirmed an investment of USD$15 million (approximately AUD$20 million) in a Nordic Private Placement senior secured bond issuance to finance development of the Project.

Procurement for the Project commenced after completion of the DFS and is scheduled to be completed also during Q2 of 2018, at which time mining operations and haulage are scheduled to commence. The goods and services that have already been procured for the Project include those in respect of long-lead equipment items, concrete batching plant, site-wide bulk earthworks, site accommodation and facilities, camp services, process plant, and road upgrades.

RCR Resources Pty Ltd (**EPC Contractor**) was awarded the Engineering, Procurement and Construction contract for the Project’s process plant and carries the responsibility for procurement of goods and services in respect of the Project’s process plant (Stage 1 awarded on 18 January 2017 and Stage 2 awarded in July 2017). Contract Power Group (**Power Station Contractor**) was awarded the power station build, own, operate contract for the Project on 8 September 2017 and carries the responsibility for procurement of goods and services in respect of the Project’s power station. Both the EPC and Power Station Contractors provide full, fair and reasonable access to local Australian suppliers to participate in subcontracting and procurement activities.

As at 8 September 2017, PLS is yet to procure the goods and services in respect of the borefield network, Great Northern Highway intersection upgrade works, and mining operations centre buildings and infrastructure (**Future Procurement Opportunities**), which are expected to total approximately AUD$10 million. Remaining goods and services to be procured by the EPC and Power Station Contractors are also indicated in Section 2 below.

**Estimated total project value:** AUD$234 million

**Project location:** The Project is located approximately 120km south-southeast of Port Hedland in the resource-rich Pilbara region of Western Australia.

**Link to project information:** <http://www.pilbaraminerals.com.au/site/our-business/pilgangoora-lithium-tantalum-project>

**Project contact for procurement information:**

Pilbara Minerals Limited
Attention: Dale Henderson, Project Director
Telephone: (08) 6266 6266
Email: dhenderson@pilbaraminerals.com.au

EPC Contractor
Attention: Steven Jeffery, Commercial Manager
Email: procurement.pls@rcrtom.com.au
Address: Level 6, 251 St Georges Tce
 PERTH WA 6000

Power Station Contractor
Attention: Ashley Byatt, Purchasing Officer
Telephone: (08) 9453 3375
Email: cpma@contractpower.com.au
Address: 2 Chisholm Crescent
 KEWDALE WA 6105

## 2. Opportunities for Australian industry involvement

| **List of goods and services to be procured for the project and the expected opportunity for industry participation** | **Opportunities for Australian suppliers** | **Opportunities for overseas suppliers** |
| --- | --- | --- |
| Mining Operations Centre Buildings and Infrastructure | Yes | No |
| Great Northern Highway intersection upgrade | Yes | No |
| Borefield works:* Pipeline service trenching
* Pipeline access service track
* HDPE pipe – design and supply
* HDPE pipe – install
* Hire of bore pumps
* Telemetry configuration and testing onsite
* Pipeline Hydrostatic Testing onsite
 | YesYesYesYesYesYesYes | NoNoYesNoNoNoNo |
| Power Station Construction (Engine Hall construction – labour and lifting machines)1 | Yes | No |
| Supply Power Station Equipment1:* Generator sets (Engine and alternator)
* Switchgear
* Switchboard
* Transformers
* Engine hall (building)
* Switchroom
 | Yes | Yes |
| Labour (other than Labour in respect of the Mining Operations Centre Buildings and Infrastructure, Great Northern Highway intersection upgrade, and Borefield works) through EPC arrangement2 | Yes | No |
| 1 The Power Station Contractor is responsible for procurement of these goods/services. Contact the Power Station Contractor directly.2 The EPC Contractor is responsible for procurement of these goods/services. Contact the EPC Contractor directly. |

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

## 3. Communication Strategy

* PLS will engage with the Industry Capability Network Western Australia (**ICN WA**), Pilbara Regional Council, and Mining and Energy Services Council of Australia with a view to promoting the Project and identifying capable, competitive Australian industry suitable to supply goods or services in respect of the Future Procurement Opportunities.
* PLS will provide ICN WA with a list of future goods and services in respect of the Future Procurement Opportunities and request that these be listed on the ICN Gateway website.
* PLS’s website will continue to be a contact point for Australian suppliers and industry representatives and PLS will disclose these contact details in all relevant Project information. The website will also be used to direct suppliers to the ICN Gateway in respect of Project opportunities available to Australian industry and how suppliers can respond to these opportunities.
* PLS will directly contact Australian industry via letters, emails or phone calls to invite tender responses or to inform Australian industry about Project opportunities.
* PLS will continue to use mainstream media to promote the Project and to highlight opportunities for Australian industry.

## 4. Opportunities through all tiers of supply and in all stages of the project

* The Project will be built to meet applicable Australian, New Zealand and international standards, which Australian suppliers will be familiar with and able to meet.
* PLS will use its formal tender process in respect of the Future Procurement Opportunities. The time for tender responses will be the same for every bidder and will provide realistic opportunity for all bidders to develop their proposal.
* PLS will assess tenders using a standardised scoring system that ensures each tender is assessed on its merits and the suppliers’ ability to meet the Project requirements.
* PLS may use a sole source process in respect of the Future Procurement Opportunities if there is a business case to justify the sole source.
* PLS will include AIP requirements in tender documents and contractual arrangements in respect of the Future Procurement Opportunities.
* PLS will endorse and communicate the AIP Plan and principles on its company website.
* PLS will provide a copy of the AIP Plan to RCR and the Power Station Contractor and make them aware of PLS’s AIP commitments.
* If requested, PLS will provide feedback to any unsuccessful tenderer in respect of a tender process undertaken by PLS.

## 5. Opportunities for longer-term participation

* PLS will introduce Australian suppliers to other companies (eg customers, suppliers) and support overseas demonstrations of suitable Australian industry capability for global companies.
* PLS will encourage adoption of International Organisation for Standardisation (ISO) requirements, Occupational Health and Safety (OH&S) qualifications, and Quality Management standards.
* PLS will undertake technical consultation with Australian industry if requested to assist in mastering new technologies.
* PLS will facilitate strategic partnering and related activities between Australian companies and Australian and international organisations.
* If requested, PLS will provide feedback to successful Australian suppliers used in the Project.

## 6. Procedures and Resources

* PLS’s AIP officer will have overall responsibility for implementation, monitoring, and reporting in respect of the AIP Plan.
* PLS will develop systems to monitor and report on the implementation of the AIP Plan.