



ASX/Media Announcement

24 July 2017

CONSTRUCTION OF PILGANGOORA LITHIUM PROJECT RAMPING UP RAPIDLY WITH AWARD OF KEY CONTRACTS

Award of milestone contracts including Stage 2 plant construction, bulk civil earthworks, camp expansion and camp services ensures Pilbara remains on track for first production in Q1 2018

HIGHLIGHTS:

- Stage 2 of the Engineering, Procurement and Construction (EPC) contract for construction of the 2Mt/a Concentrator awarded to Australian-owned engineering company RCR Tomlinson.
- Site-wide bulk civil earthworks construction contract awarded to NRW Pty Ltd.
- Camp Stage 2 expansion contract awarded to Njamal Services and Pilbara Resource Group (NPJV).
- Camp services contract awarded to Action Industrial Catering Pty Ltd, in joint venture with Njamal Services.
- All contracts awarded in line with the project delivery schedule that targets commissioning from March 2018 and shipments from Q2 2018.

Following the recently announced Final Investment Decision (FID) for its 100%-owned Pilgangoora Lithium-Tantalum Project in the North Pilbara of Western Australia, Pilbara Minerals Limited (ASX: PLS) is pleased to announce the award of several key contracts as part of its expedited construction schedule, ensuring it remains on track to commence commissioning from March 2018 and shipments from the following quarter.

A final contract award has now been issued to Australian-owned engineering company RCR Tomlinson for the Stage 2 plant construction, NRW has commenced bulk civil earthworks at site, and expansion works are well underway at the Pilgangoora camp to facilitate accommodation for the additional personnel required to complete the balance of site construction.

In considering the award of these key contracts, Pilbara has continued to work with the Traditional Owners in the Pilgangoora Project area (the Njamal Claimant Group) to facilitate business and employment opportunities.

As a result of these initiatives, camp services at Pilgangoora are to be provided by Action Industrial Catering in joint venture with Njamal Services. Furthermore, 'NPJV' (a joint venture between Njamal Services and Pilbara Resource Group) has been awarded a civil works contract in support of the Pilgangoora camp expansion and both site and access road upgrades.

The Company also continues to work on other initiatives that will provide further opportunities to grow the existing strong relationship with the Njamal Group.

Pilbara Minerals Managing Director, Ken Brinsden said the Company's development team was working hard with its contractors to deliver on the aggressive development schedule for the Pilgangoora Project.

"Following the final investment decision, we are now getting on with the job of delivering this world-class project as rapidly as possible, ensuring we can move quickly to deliver into the burgeoning lithium raw material demand growth we see from our existing customers and others, downstream in the lithium-ion battery supply chain.

"We are also very pleased with the cooperative relationships that have emerged between the Njamal Group and contract service providers at Pilgangoora, which has opened up significant opportunities for indigenous engagement and employment as part of the project's construction and ongoing operations. In concert with Njamal, we will continue to explore all opportunities for participation given the benefits that can yield for the group in business, employment and training over the very long mine-life at Pilgangoora," Mr Brinsden added.



Process Plant EPC (Stage 2)

Following a significant Stage 1 Front End Engineering and Design (FEED) phase with RCR Tomlinson (RCR), in collaboration with their design partners, Primero and Minnovo, the Company is pleased to announce the award for the balance of the plant, which encompasses final detail design, equipment procurement, plant construction and commissioning support. RCR is an Australian-owned, highly-experienced and renowned engineering, procurement and construction company. RCR's extensive experience includes the recent delivery of two ore processing plants (with a combined capacity of 65Mtpa) for Fortescue at its Solomon operations in the Pilbara region of WA, which received industry recognition for the speed of construction.

RCR has chosen sub-contractors Primero and Minnovo to provide technical and engineering support. Both have experience in the engineering and process design sectors. Importantly, Primero is also one of the few engineering firms in Australia with direct experience in lithium plant construction, commissioning and operations as a result of its recent work at the Mt Cattlin site and the previous experience of their personnel at the Talison Greenbushes mine.

RCR will now work with Pilbara Minerals over the coming weeks as it prepares for site mobilisation and commencement of major construction activities, expected to commence during August 2017.

Site-Wide Bulk Earthworks

Through a competitive tender process, the Company ultimately decided to award the contract for site-wide bulk earthworks to NRW Pty Ltd (NRW).

NRW were officially awarded the contract on 22 June 2017 and, following the submission and acceptance of pre-mobilisation deliverables since that date, the Contractor is now well advanced in site establishment, with plant and equipment and temporary offices established and clearing works commenced.

NRW's immediate focus will be in preparing the necessary ground works for RCR in readiness for the commencement of major construction activities during August 2017.



Figure 1 – Camp facility showing initial 60 rooms plus cleared areas for installation of remaining rooms.

Camp Stage 2

The Company is also pleased to announce the recent award of Camp Stage 2 to the joint venture between Njamal Services and Pilbara Resource Group (NPJV). The initial award will have NPJV working directly with our Pilbara



construction management team on preparatory civil works and the establishment of buried services, which is expected to be completed over the coming few weeks for the balance of the accommodation facility.

The NPJV has secured the relevant pre-mobilisation requirements with Pilbara Minerals and is currently on site completing the necessary establishment activities, while commencing site works associated with service trenching for the remaining rooms.

The central facilities, messing and administration areas are now complete and largely commissioned for both the initial 60-room installation and the subsequent expansion. It is expected that additional rooms to underpin the full 300-person facility will come online progressively as the number of people on site increases in parallel with the rapid ramp-up in construction activity.

Camp Services

As the Company nears completion of its initial 60-room (of 300-room capacity) camp facility, it has secured the services of Action Industrial Catering Pty Ltd (Action), in joint venture with Njamal Services, to provide camp management, catering, and maintenance services for the accommodation facility.

The contract was awarded on 26 June 2017 following a competitive tender process, which resulted in a 3-year contract being agreed with Action to provide the necessary camp management services for the Company’s Pilgangoora Lithium-Tantalum Project. Action has since commenced site mobilisation and is currently preparing the initial 60 rooms and central facilities in readiness for occupancy.

ADDITIONAL INFORMATION

ABOUT PILBARA MINERALS

Pilbara Minerals (“Pilbara” – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration and development of the specialty metals Lithium and Tantalum. Pilbara owns 100% of the world class Pilgangoora Lithium-Tantalum project which is among the largest Spodumene (Lithium Aluminium Silicate) projects in the world. Pilgangoora is also one of the largest pegmatite hosted Tantalite resources in the world and Pilbara proposes to produce Tantalite as a by-product of its Spodumene production.

ABOUT LITHIUM

Lithium is a soft silvery white metal which is highly reactive and does not occur in nature in its elemental form. It has the highest electrochemical potential of all metals, a key property in its role in Lithium-ion batteries. In nature, it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. A key growth area is its use in lithium batteries as a power source for a wide range of applications including consumer electronics, power station-domestic-industrial storage, electric vehicles, power tools and almost every application where electricity is currently supplied by fossil fuels.

ABOUT TANTALUM

The Tantalum market is boutique in size with around 1,300 tonnes required each year. Its primary use is in capacitors for consumer electronics, particularly where long battery life and high performance is required such as smart phones, tablets and laptops.

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They are indicative and may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this announcement are to Australian currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.