



ASX/Media Announcement

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FIRST GROUND BROKEN AT PILGANGOORA LITHIUM-TANTALUM PROJECT AS SITE WORKS BEGIN

COMMENCEMENT OF BULK EARTHWORKS FOR CONSTRUCTION OF ACCOMMODATION VILLAGE MARKS A KEY DEVELOPMENT MILESTONE FOR MAJOR NEW AUSTRALIAN LITHIUM PROJECT

Australian lithium developer Pilbara Minerals Ltd (ASX: PLS) (“**PLS**” or “**Company**”) is pleased to announce that site development activities have started at the Company’s flagship Pilgangoora Lithium-Tantalum Project in the Pilbara region of Western Australia, with the commencement of bulk earthworks required for the project’s accommodation village.

The start of bulk earthworks marks a significant milestone for the Company, putting it on track to commence run of ore mining in the second quarter of CY 2017.



Figure 1: Bulk earthworks underway at the Pilgangoora Lithium-Tantalum Project, Western Australia

As announced to ASX on 28 October, Pilbara Minerals acquired the Roy Hill Project’s Rail Camp 3, which comprises a 300-person camp including a gym, recreation and wet mess.

Bulk earthworks are now underway for the Stage 1 relocation of this camp to Pilgangoora, comprising an initial 60 accommodation rooms as well as common central facilities.

The package of work includes:

- mobilisation and establishment of temporary offices, power and water supply infrastructure to support the works;
- establishment of suitable borrow pits;
- clearing of the planned camp access road from the main project site through to the camp location; and

- clearing and ground preparation of the area required to underpin the Stage 1 relocation of the camp to support ongoing exploration activities, with approximately 5.7 hectares to be cleared during this initial stage.

The work is expected to be completed by the end of December 2016.

Pilbara's Managing Director and CEO, Mr Ken Brinsden, said: "The turning of the first sod at Pilgangoora represents an exciting and hugely important milestone for Pilbara Minerals, marking the start of construction and development at our flagship asset and putting us on track to commence commissioning of the plant in late 2017."

More 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 the second largest Spodumene (Lithium Aluminium Silicate) project 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 in electronics, automotive, aerospace, chemical manufacturing and other industries.

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