



PILBARA MINERALS LIMITED

ACN 112-425-788

ASX RELEASE

31 JANUARY 2013

ASX CODE: PLS

QUARTERLY ACTIVITIES REPORT QUARTER ENDED 31 DECEMBER 2012

CORPORATE

TENEMENTS

Pilbara Minerals Limited holds 100% interests in 14 granted exploration licences totalling 395 blocks (approximately 1,260km²) in the West Pilbara Mining District, north-western Western Australia (see figure below).

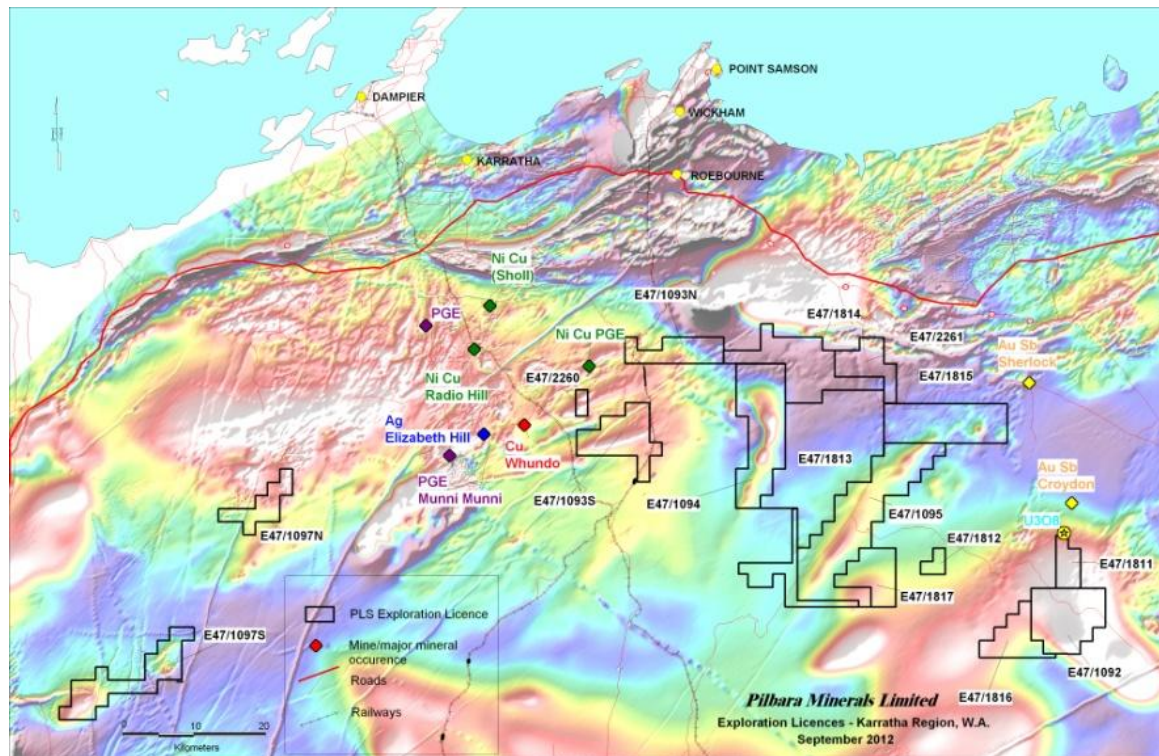
PRIVATE PLACEMENT

On 27 December 2012 the Company announced the completion of a private placement to sophisticated and professional investors of 8,321,250 ordinary shares priced at \$0.025, which raised \$208,031. The funds are for working capital and due diligence work on the potential project acquisition, which is described in more detail later in this report.

EXPLORATION ACTIVITIES

WEST PILBARA PROJECT (W.A.)

No field work was carried out during the reporting period. In order to minimise expenditures, exploration activity was restricted to desk studies of geophysical and geological data, and to negotiations leading to farm-out and joint venture arrangements with Fox Resources Limited.

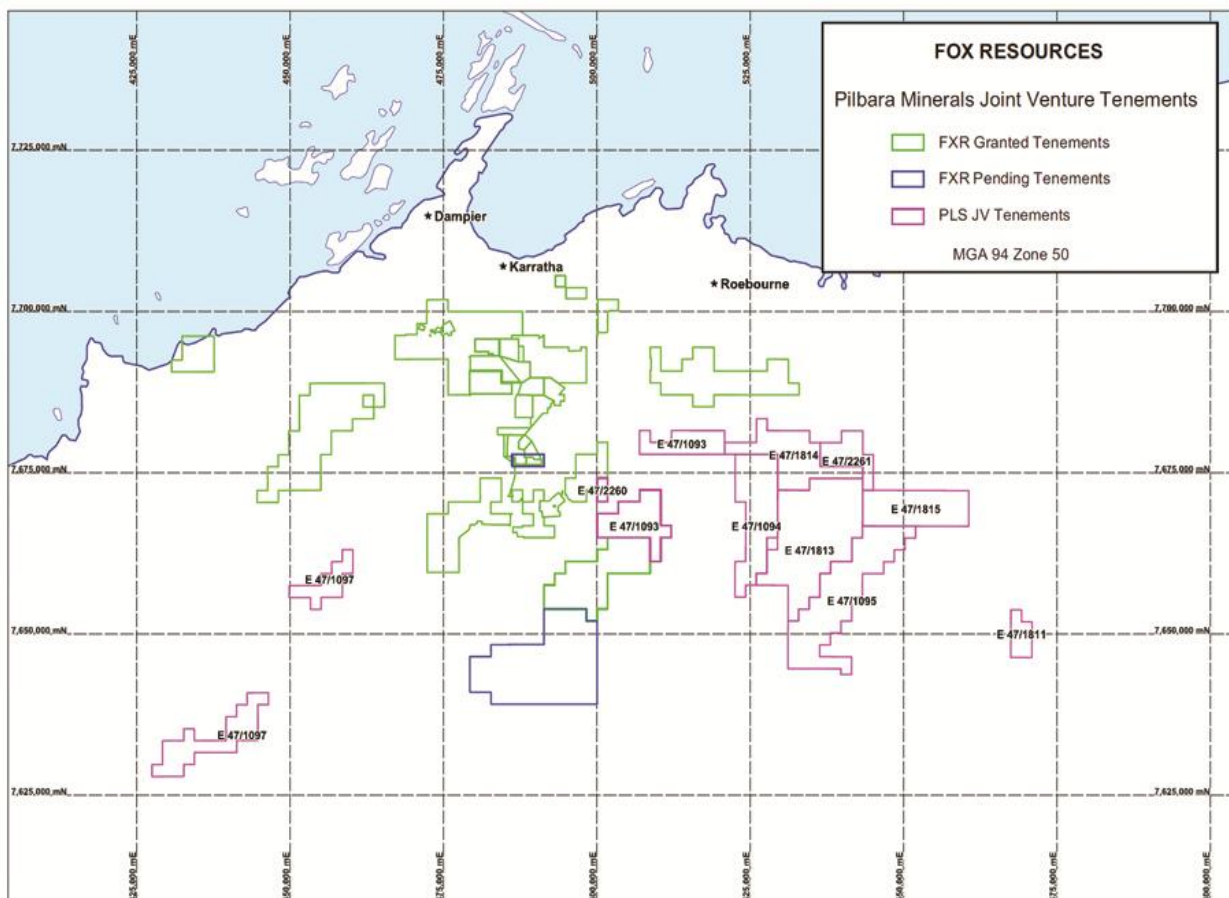


FARM-OUT AND JOINT VENTURE OF PART OF WEST PILBARA PROJECT

As announced to ASX on 15 January 2013, Pilbara Minerals has entered into a non-binding MOU with Fox Resources to establish a joint venture covering 10 of the 14 tenements that comprise Pilbara Minerals' West Pilbara Project.

Under the proposed farm-out and joint venture agreement, Fox Resources will acquire an initial 40% interest and have the ability to earn up to an 80% interest in the tenements in return for carrying out extensive exploration work. The earn-in programme will take place over three stages, commencing in early 2013.

Fox Resources will make an upfront cash payment of \$150,000 to Pilbara Minerals to earn 40%, and the remaining 40% can be earned by Fox Resources in three stages over a period of up to three years for annual expenditure by Fox Resources of \$565,000 in each of the first two years and \$839,000 in the third year. Fox Resources will manage the joint venture.



The initial earn-in is subject to a number of conditions, including Fox Resources completing due diligence in respect of the tenements, the finalisation of a binding farm-in and joint venture agreement, and the companies agreeing to an initial exploration work programme and obtaining all necessary regulatory and governmental approvals, including any approvals that may be required under the ASX Listing Rules following ASX's consideration of the transaction. The two companies had aimed to finalise the binding farm-in and joint venture agreement by 31 January 2013. However it is now anticipated that it will take a few more weeks.

During the current quarter, Pilbara Minerals will review data relating to the other four tenements and will consider options for further exploration.

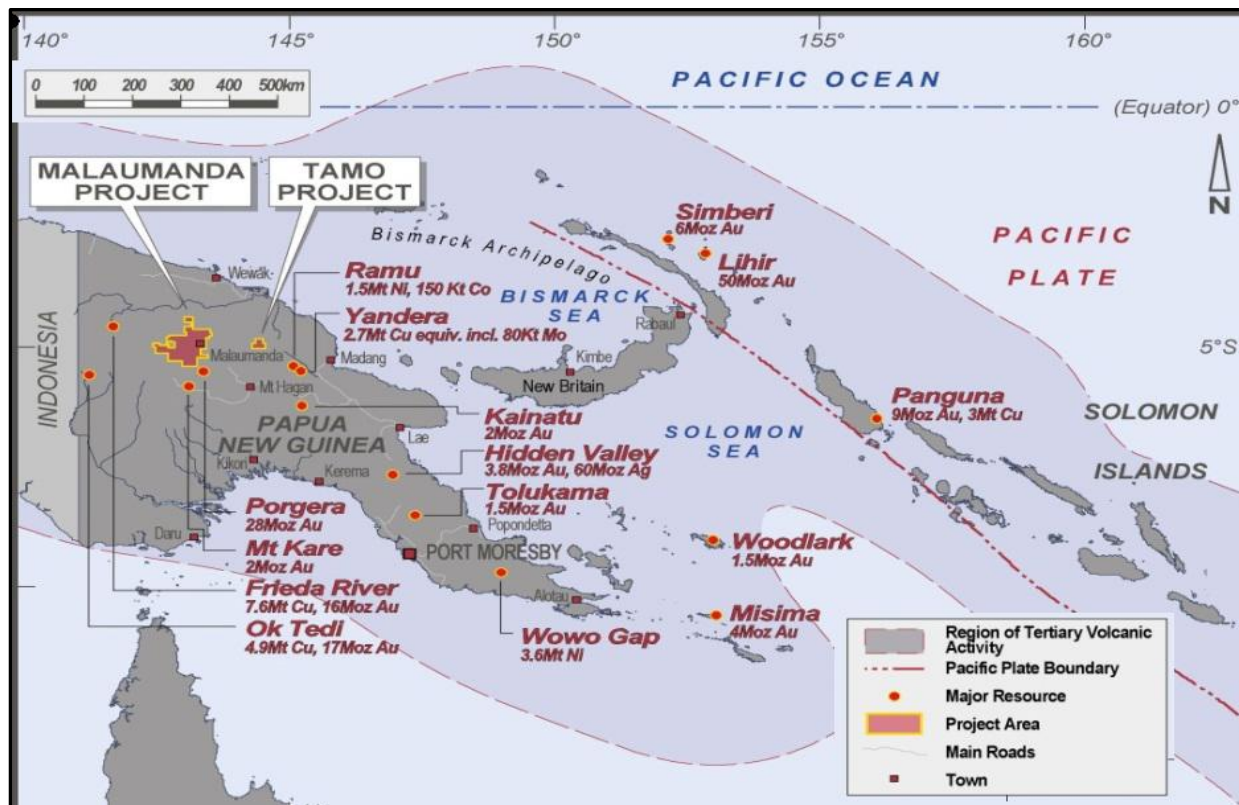
PROPOSED ACQUISITION OF STURT RESOURCES LIMITED

As announced to ASX on 30 October 2012, Pilbara Minerals agreed to acquire Sturt Resources Limited, which has a portfolio of large-scale gold and copper-gold projects in the world-class Highlands region of Papua New Guinea (PNG). Sturt Resources is an unlisted public company founded by Neil Biddle (a geologist, and Non-Executive Director of TNG Limited (ASX Code: TNG) and former technical director of Sherwin Iron Limited (ASX Code: SHD)), and managed by John Young (a geologist, and former CEO of Marenica Energy Ltd (ASX Code: MEY) and Thor Mining Plc (ASX Code: THR)). The acquisition, which is subject to due diligence and shareholder approval, will reposition Pilbara Minerals as a leading minerals explorer and developer in one of the most prospective and under-explored geological regions of the PNG Highlands, with a focus on discovering and developing world-class epithermal gold and porphyry copper-gold deposits.

Pilbara Minerals has entered into an agreement to acquire 100% of the share capital of Sturt Resources for a consideration of 162,000,000 ordinary shares of Pilbara Minerals subject to the following conditions precedent:

- Shareholder approval by both Pilbara Minerals and Sturt Resources;
- Regulatory approvals, if required;
- Due Diligence, legal and financial; and
- Pilbara Minerals raising a minimum of \$800,000.

Two Sturt Resources directors and two Pilbara Minerals Directors will form the new Board of Pilbara Minerals, and all of the shares issued to Sturt Resources in consideration for the transaction will be subject to an ASX-mandated escrow for 12 months.



Sturt Resources Project Areas – Papua New Guinea

Sturt Resources, through its PNG-registered subsidiaries, holds the title to and/or rights to acquire exploration titles covering approximately 4,900km² in the heart of PNG's Orogenic Copper-Gold Belt, which hosts some of the world's largest gold and gold-copper ore bodies. World-class mines in this region include Ok Tedi (>10Moz Au, +3Mt Cu), Porgera (>32Moz Au) and Frieda River (>15Moz Au, +17Mt Cu). Australian company Marengo Mining Limited is developing the nearby Yandera Copper-Molybdenum Project.

Sturt Resources' flagship asset is the **Malaumanda Gold and Copper Project**, which comprises one Exploration Licence and three Exploration Licence Applications covering an area of 4,600km² in the heart of the resource-rich Orogenic Copper-Gold Belt. The southern boundary of the Malaumanda tenements lies approximately 15 kilometres north of Barrick Gold Corporation's massive Porgera Gold Mine and some 120 kilometres along strike from the Frieda River copper-gold deposit. The other key project within Sturt Resources' portfolio is the **Tamo Placer Gold Project**, which offers potential for near-term, low-cost production and cash flow.

MALAUMANDA GOLD AND COPPER PROJECT

Malaumanda has a 25-year exploration history with a large, high-grade, epithermal gold system identified from historic drilling encompassing three major vein systems. Sturt Resources has acquired the extensive data resources accumulated by previous explorers. Numerous geochemical gold-copper anomalies and geophysical targets, including both epithermal and porphyry targets, have now been identified within the tenement areas. Some of the historic trench and diamond drilling results from Malaumanda are summarised below:

Trench results include:	Diamond Drill results include:
8m at 8.55g/t Au	21m at 5.7g/t Au, from 34 to 55m down hole
3m at 11.1g/t Au	14m at 4.3g/t Au, from 32 to 46m down hole
7m at 11g/t Au	10.8m at 4.5g/t Au, from 59.5m to 70.3m down hole
4.4m at 15g/t Au	10m at 5.7g/t Au, from 34m to 44m down hole

Work over the last 12 months has identified several new targets on the Malaumanda Central tenement (EL 1989) and regionally, 10 priority targets with potential for defining significant porphyry copper-gold systems. This targeting work will be enhanced by a recently-completed regional interpretation of the aeromagnetics by Southern Geoscience Corporation.

TAMO PLACER GOLD PROJECT

The Tamo Placer Gold Project consists of a Mining Licence and a surrounding Exploration Licence (EL 1453) covering approximately 250km², of which Sturt Resources can earn an interest of up to 70%. The Project has modern camp facilities, excavating equipment and an alluvial gold recovery plant on site. Intermittent past production has yielded 10,000oz of alluvial gold, much of it being very coarse. Pilot test work over palaeochannels and placers discovered nuggets (0.1gm to >30gms) over a 7 kilometre stretch of the Tupuka River. There is potential to significantly increase resources in the adjacent and as yet untested Clay River.

More information on this exciting new project will be released to the market over the coming weeks. The Company expects that the process of completing the acquisition will take approximately 10 to 12 weeks.

CORPORATE MATTERS

The due diligence on the proposed Sturt Resources acquisition is substantially complete and the Company is currently preparing a Notice of General Meeting to seek shareholder approval for the transaction.



Gavan Farley
Director

The information pertaining to the technical content of this announcement has been compiled by Robert (Bob) Adamson, B.Sc., M.Sc. (Hons Geol), MAusIMM, CP (Geo). Mr Adamson is the principal of Robert G Adamson Consultants and a Director of Pilbara Minerals Limited. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity that he is undertaking to qualify as a Competent Person as defined in the December 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Adamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.