



PILBARA MINERALS LIMITED

ACN 112-425-788

ASX ANNOUNCEMENT

7 July 2015

TABBA TABBA TANTALUM PROJECT UPDATE

Pilbara Minerals Ltd (ASX: PLS) (**Pilbara**) is pleased to advise that it is engaged in negotiations to acquire a 100 per cent of the **Tabba Tabba Tantalum Project**, located near Port Hedland in the Pilbara region of Western Australia.

The Tabba Tabba Tantalum Project has been developed under a 50/50 joint venture with Valdrew Nominees Pty Ltd, trading as Nagrom & Co (**Nagrom**). The project is at an advanced stage with processing plant and mine camp construction complete and mining scheduled to commence in Q3 2015, subject to receipt of final operating permits from the WA Department of Mines and Petroleum.

Nagrom is a leading and long-established WA-based metallurgical and gravity processing company. Under the proposed arrangement being discussed with Nagrom, Pilbara will acquire an additional 50 per cent interest in the joint venture, enabling it to consolidate 100 per cent ownership of the project.

It is envisaged that Nagrom will continue to be involved in the project by providing the appropriate services to support the mining and processing operations of the Tabba Tabba Tantalum Project.

While the commercial terms of the transaction have been largely agreed, final contractual arrangements and binding documentation remain to be finalised with all parties, including with Global Advanced Metals Wodgina Pty Ltd (**GAM**), which owns the underlying Tabba Tabba tenements. The mine is being developed under a mining and off-take agreement with GAM which includes a fixed price 5-year off-take for tantalite concentrate.

Pilbara will advise the market once all contractual arrangements have been finalised. As the negotiations are continuing and the binding documentation not yet executed, the transaction is currently incomplete and there is a possibility that a transaction may not eventuate.

The proposed acquisition of 100 per cent of the Tabba Tabba Tantalum Project is consistent with Pilbara's objective to build a substantial Australian strategic metals company producing both high-grade tantalum and lithium from its projects in the Pilbara region of WA.

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About Pilbara Minerals

Pilbara Minerals (Pilbara) is a mining and exploration company listed on the ASX, specialising in the exploration and development of the specialty metals tantalum and lithium. Pilbara is currently developing the Tabba Tabba Tantalum deposit, located 75km south-east of Port Hedland. Pilbara is also drilling and developing the advanced 100%-owned Pilgangoora tantalum-lithium deposit close to Tabba Tabba.

The primary source of tantalum is from minerals such as tantalite, columbite, wodginite and microlite contained in pegmatite ore bodies. The largest deposits are located in Australia, Brazil and Africa. Tantalum's **major use is** in the production of electronic components, **especially for capacitors**, with additional use in components for chemical plants, nuclear power plants, airplanes and missiles. It is also used as a substitute for platinum.

The tantalum market is boutique in size with around 1,300 tonnes required each year. However the market is rapidly growing due to capacitor use in wireless and handheld devices. PLS's Tabba Tabba Project could supply approximately 7% of the annual market consumption over two years. There are two major buyers of tantalum raw product worldwide: HC Stark and Global Advanced Metals.

Lithium is a soft silvery white metal and has the highest electrochemical potential of all metals. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of beneficial properties 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 electric bikes, motor vehicles, buses, trucks and taxis.