

## **PILBARA ANNOUNCES KEY APPOINTMENTS TO OVERSEE DELIVERY OF PILGANGOORA AND SHORT-LISTS KEY PLANT CONTRACTORS**

### ***Respected engineering group Engenium Pty Ltd selected as Project Management Consultant***

Australian lithium developer Pilbara Minerals Ltd (ASX: PLS) is pleased to announce the appointment of respected Project Management Consultancy (“PMC”), Engenium Pty Ltd (“Engenium”), to assist in the delivery of the Pilgangoora Lithium-Tantalum Project in Western Australia, working as part of an Integrated Owner’s Project Management Team.

The Company is also pleased to advise that it has made significant progress with the process plant design and construct package and mining contracts for the Pilgangoora Project, short-listing key contracting groups to participate in competitive pricing negotiations. Both packages are expected to be progressed towards final contract award over the next three months.

Pilbara’s Managing Director Ken Brinsden said the appointment of key project management expertise for the Pilgangoora Project was essential in achieving the fast-track development schedule.

“We are very pleased to have Engenium on board and we look forward to the value they will no doubt bring to the table,” he said. “They have extensive experience working in the Pilbara, having delivered many mining operations historically for junior, mid-tier players and major mining companies alike.”

As a result of the relatively tight schedule for the completion of the Pilgangoora Project, the Company has also embarked on a strategy which will see the Process Plant (and associated process infrastructure) delivered under an Engineering, Procurement and Construction (EPC) approach.

In order to accelerate the selection of the EPC contractors for the plant, the Company has also agreed that it will facilitate a competitive Early Contractor Involvement (ECI) arrangement, which will be a partially funded exercise between three contracting parties and/or associated groups.

“It was very pleasing to see throughout the ECI process how many talented and highly capable organisations were available and willing to work with us on the processing plant,” Mr Brinsden said.

“By adopting an ECI arrangement, we will be able to compress the timeframe for the EPC selection process, allowing us to achieve our key objective of commissioning the project in Q4 2017 while still maintaining a highly competitive process that ensures we get the best possible outcome for the project and our shareholders.

“I am confident that, with the selection of the final three groups, we will get the right result for Pilbara and I would like to take this opportunity to thank everyone for their contribution in this important exercise.”

With respect to the future mining contract, six mining contractors and two stand-alone drill and blast contractors submitted pricing that has contributed to the Definitive Feasibility Study cost model. As a result of this work the Company is further considering its strategy to short-list mining contractors to participate in the upcoming Pilgangoora mining contract tender.



**Project Management Consultancy**

Engenium was selected following a comprehensive selection process that involved a series of technical and commercial evaluations against established criteria set by the Pilbara Minerals management team. A total of six highly capable organisations initially presented, of which three were short-listed.

The short-listed round involved more detailed technical and commercial discussions with Engenium ultimately offering the best combination of capabilities, having clear strengths in technical capacity as a direct result of the experience levels of the core team, business maturity and, finally, commercial terms with Pilbara Minerals. A typical model as to how the PMC will integrate into the Pilgangoora Project is provided in Figure 1 below:

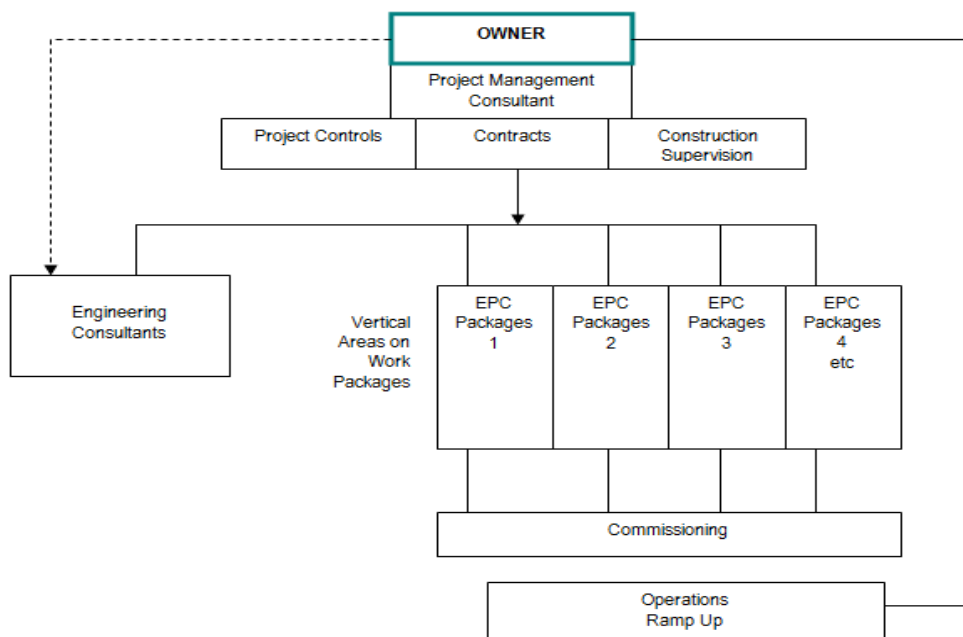


Figure 1 – Project Organisation Model

**Early Contractor Involvement (ECI) for Process Plant**

Reflecting the very high level of interest in the Pilgangoora Project, a total of nine groups expressed interest in participating in the ECI process, all of which were required to demonstrate direct experience in lithium plant engineering and construction, as well as a series of other key criteria established and agreed within Pilbara Minerals as part of the overall assessment assisted by well-respected and industry recognised Project Management firm, Enthalpy Pty Ltd.

The three short-listed groups which will now be invited into the competitive ECI phase for the Process Plant EPC Package are:

- Como Engineers / Ausenco;
- RCR Tomlinson / Primero Group / Minnovo; and
- Kiewit Australia / Hatch.

While all nine groups that presented were highly capable, the Pilbara team, together with Enthalpy, ultimately agreed that the three selected groups presented the best combined technical and commercial capability and would offer not only independent viable solutions in their own right, but would also maintain a level of competitive tension throughout the ECI process – which would translate into favourable outcomes for the Project, Pilbara Minerals and its shareholders.



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Mr Brinsden said the key advantage of this approach was that the timeframe for the tender phase could be compressed – typically to around three months for a package of this nature.

“For the final selection of an EPC you are effectively evaluating all tenderers through a structured ECI process that sees both technical and commercial deliverables progressed by each party to support a lump sum EPC offer, after which a preferred contractor is selected,” he said.

### **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.

### **Contacts:**

#### ***Investors / Shareholders***

Ken Brinsden  
Managing Director and CEO  
Ph. +61 (0)8 9336 6267

#### ***Media***

Nicholas Read  
Read Corporate  
Ph. +61 (0)8 9336 626