



ASX/Media Announcement

21 December 2016

NOTICE OF MEETING – CLARIFICATION

Pilbara Minerals Limited (ASX: PLS) (“Pilbara Minerals” or “the Company”) would like to provide the following clarification in relation to Resolution 3 in the Notice of General Meeting lodged on 19 December 2016, pertaining to the re-approval of the Company’s Employee Award Plan.

Resolution 3 seeks approval from shareholders for an amendment to the existing employee incentive plan (previously approved by shareholders) to allow flexibility for the Board to issue performance rights (as an alternative to options) to recruit and retain staff. It does not seek shareholder approval for an immediate or specific grant or issue of additional options, performance rights or shares.

There has been no change in the number of options awarded to any existing employees or management, compared to that previously approved by shareholders or issued under the existing plan. For reference, any management options issued under the existing plan are subject to performance criteria which the Company believes are aligned with shareholders’ interests.

As outlined in the Company’s 2016 Annual Report (pages 34 and 35), Pilbara Minerals is in the process of developing a new remuneration policy and framework for 2017 which is appropriate for the Company’s current activities and aligned with best practice in the marketplace as well as recommended corporate governance principles. The amendment to the incentive plan is part of this new framework.

The amendment seeks to introduce performance rights which are considered to be more aligned with current market practice and a more appropriate incentive instrument given the Company’s current scale and further development objectives.

Pilbara Minerals’ Managing Director, Mr Ken Brinsden, said the objective of Resolution 3 in the Notice of Meeting was to move the Company’s employee share scheme away from options, which can be a more dilutive incentive instrument, towards performance rights.

“While the options-based system served the Company extremely well in its rapid growth from a micro-cap junior to a \$650 million mid-tier mining company – saving considerable early cash outlay and helping to fund our growth – we have recognised that a new remuneration structure is required moving forward, and the key principles for this were outlined in detail in our Annual Report,” he said.

“We would like to make it absolutely clear that the EGM’s Resolution 3 was not presented to immediately issue further incentives to employees. We are doing this in an effort to further improve the framework of our employee share scheme and to ensure it is representative of where we are going as a company.”

“Finally, I would also like to take this opportunity to thank all of our shareholders, investors and other stakeholders for their support during the year and wish them well for the festive season. It has been a huge year for Pilbara and, with contract lithium prices for 2017 recently settling at levels considerably higher than 2016, we believe there is no better time to be bringing a major new global lithium project on stream.”



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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Media

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