



ASX/Media Announcement

29 July 2016

PILGANGOORA – UPDATE ON FIRST RIGHT OF REFUSAL

Pilbara Minerals Limited (the Company) (**ASX: PLS**) advises that it proposes to reissue the Sale Notice dated 5 July 2016 to Global Advanced Metals Wodgina (“**GAMW**”), in relation to GAMW’s right of first refusal over any sale by Pilbara of lithium to a third party (**ROFR**). GAMW has purportedly assigned its rights in the ROFR to Mineral Resources Ltd.

PLS has elected to address with greater clarity the spodumene pricing mechanism (which is linked to the prevailing lithium carbonate price) contained in the Sale Notice. Consequently, legal proceedings commenced by Mineral Resources Ltd will no longer concern the validity of the Sale Notice. PLS will amend and reissue the Sale Notice as soon as possible.

Nothing in the process of reissuing the Sale Notice invalidates or undermines the offtake agreement with General Lithium. The Company looks forward to presenting the outcomes of its scoping study assessing the Joint Chemical Project with General Lithium in the coming month.

ENDS

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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