



ACN 112-425-788

ASX ANNOUNCEMENT

1 June 2015

PILBARA UNDERTAKING \$6.465M CAPITAL RAISING TO FAST-TRACK WA LITHIUM AND TANTALUM PROJECTS

PLACEMENT AND CONVERTIBLE NOTE ISSUE TO UNDERPIN THE ONGOING DEVELOPMENT OF WORLD-CLASS PILGANGOORA LITHIUM-TANTALUM PROJECT AND COMMENCEMENT OF TABBA TABBA TANTALUM PROJECT MINING

HIGHLIGHTS:

- The Company has undertaken two capital raising initiatives and has received applications to raise a total amount of \$6.465m (before costs) from professional and sophisticated investors, being an immediate placement of 17M ordinary securities at \$0.045 per share to raise \$0.765m and a Secured Convertible Note issue to raise \$5.7m.
- Proceeds to be used predominantly to fast-track the Company's 100%-owned Pilgangoora Lithium-Tantalum Project and its 50% owned Tabba Tabba Tantalum Project.
- The Secured Convertible Notes are to be issued by way of an initial tranche of \$1.8m and a second tranche of \$3.9m
- The receipt of funds from the Convertible Note issue, the majority of which has been applied for by a significant group of offshore investors, is conditional upon completion of note and security documentation and for the second tranche, approval by members.

Australian strategic metals company Pilbara Minerals Ltd (ASX: PLS) ("the Company") is pleased to announce that it has received applications totalling \$6,465,000 (before costs) through a placement 17 m shares at \$0.045 per share to raise \$765,000 and a Secured Convertible Note Issue to professional and sophisticated investors to raise \$5.7m.

The funds raised from the issues will be utilised in the ongoing development of the Pilgangoora and Tabba Tabba projects. In particular the company intends ramping up development of the Pilgangoora project and will shortly be commencing prefeasibility work including conversion of the Exploration Licences to Mining leases. Discussions are underway with potential offtake partners for Pilgangoora spodumene (lithium) and tantalum and a number of environmental, hydrology and engineering studies will be running concurrently with resource drilling for the remainder of this year.

Placement

The company has agreed to place 17m ordinary shares at a price of \$0.045 (being a 14.6 % discount to 5-day VWAP as at 27 May 2015) to a group of Australian professional and sophisticated investors to raise \$765,000 before capital raising costs.



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Convertible Note Details

The Convertible Notes will be issued in two tranches, with the first tranche of \$1.8 million to be issued under the Company's existing 15% placement capacity and the second tranche of \$3.9 million to be issued subject to shareholder approval at an Extraordinary General Meeting to be convened at the earliest possible date.

The key terms of the Convertible Notes are:

- 15% coupon;
- Term of 18 months from date of issue;
- For every \$100,000 subscribed, 1.25m free attaching unlisted options exercisable at \$0.05c within 18 months of issue; and,
- The notes will be secured by registered mortgage over the Company's Pilgangoora tenements.

Documentation and the grant of security are in train. Until execution of final documentation, the counterparty commitments will not be enforceable and the issue of the second tranche will be subject to shareholder approval.

Appendix 3B

An Appendix 3B covering the placement of ordinary securities is enclosed.

Further Advice

The Company will inform the market when the documentation to the Convertible Note Issue is completed by all counterparties.

Reinstatement of Trading

The Company requests that trading in the Company's securities be reinstated following the lodgement of this announcement.

Pilbara Investor Presentations

Pilbara's Executive Director, Mr Neil Biddle, will update investors on progress with the Company's key strategic metals projects at a *Resources Rising Stars* investor luncheon series to be held next week.

- **Melbourne** – Tuesday, 2 June 2015: 12.00-2.30pm, RACV Club, 501 Bourke Street
- **Sydney** – Wednesday, 3 June: 12.00-2.30pm, Intercontinental Hotel, 117 Macquarie Street
- **Brisbane** – Thursday, 4 June: 12.00-2.30pm, Customs House, 399 Queen Street

For details or additional information, please visit www.resourcesrisingstars.com.au or contact Read Corporate on +61 8 9388 1474.

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PILBARA MINERALS LIMITED

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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 approximately 50km south-east of Port Hedland through a 50% Joint Venture. 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.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Pilbara Minerals Limited

ABN

95 112 425 788

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 17,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, all shares issued will rank equally with Pilbara Minerals fully paid ordinary shares trading on the ASX under Code PLS.</p>
<p>5 Issue price or consideration</p>	<p>(a) 4.5 cents per share (\$765,000)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Allotment of Ordinary Shares to fund ongoing exploration and working capital needs.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>17,000,000</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Not applicable</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 73,769,938	7.1A Not applicable
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	5 June 2015	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 635,521,897	+Class Ordinary Fully Paid Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	39,166,659	Options with an exercise price of \$0.03 and an expiration date of March 25, 2017
	173,600	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 25 September 2015
	876,400	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 30 November 2015
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NA

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	NA
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	NA
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do security holders sell their	NA

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1 (Ordinary Securities Only)
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B
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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 1 June 2015
Company Secretary)

Print name: Alan Boys

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	306,115,162
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	109,124,921 201,535,426
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	616,775,509

+ See chapter 19 for defined terms.

Appendix 3B
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Step 2: Calculate 15% of “A”	
“B”	92,516,326
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	18,746,388
“C”	18,746,388
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	92,516,326
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	18,746,388
Total [“A” x 0.15] – “C”	73,769,938

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	NA
Step 2: Calculate 10% of “A”	
“D”	NA <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	NA
“E”	Nil

+ See chapter 19 for defined terms.

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	<i>Nil</i> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.