



PILBARA MINERALS LIMITED

ACN 112 425 788

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QUARTERLY ACTIVITIES REPORT QUARTER ENDED 30 SEPTEMBER 2012

CORPORATE

TENEMENTS

Pilbara Minerals Limited holds 100% interests in 14 granted exploration licences totalling 395 blocks (approximately 1,260 km²) in the West Pilbara Mining District, north-western Western Australia (see Figure 1).

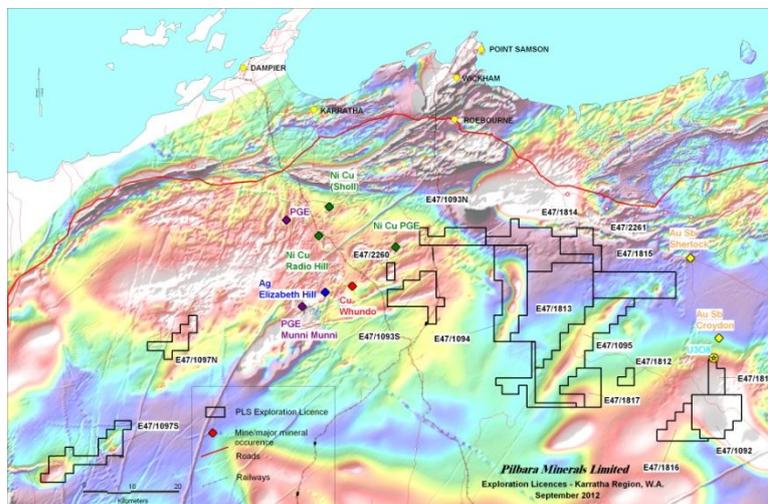
New Tenements

Exploration licence E47/2260 (2 blocks) and Exploration Licence 47/2261 (area 13 blocks) were granted to the Company on 27 August 2012. E47/2261 includes a 3.5 km section of the eastern extension of the magnetic feature with which the Mount Oscar iron deposit is associated.

EXPLORATION ACTIVITIES

WEST PILBARA PROJECT (W.A.)

No field work was carried out in the reporting period. In order to minimise expenditures, exploration activity was restricted to desk studies of geophysical and geological data. The Company is in discussion with a party, who has carried out detailed geological and geophysical reviews, with a view to their acquiring an interest in the tenements. These discussions have been held in abeyance until the completion of the negotiations for new assets (see next section). It is expected that discussions will be resumed in the near future.



PROPOSED ACQUISITION OF STURT RESOURCES LIMITED

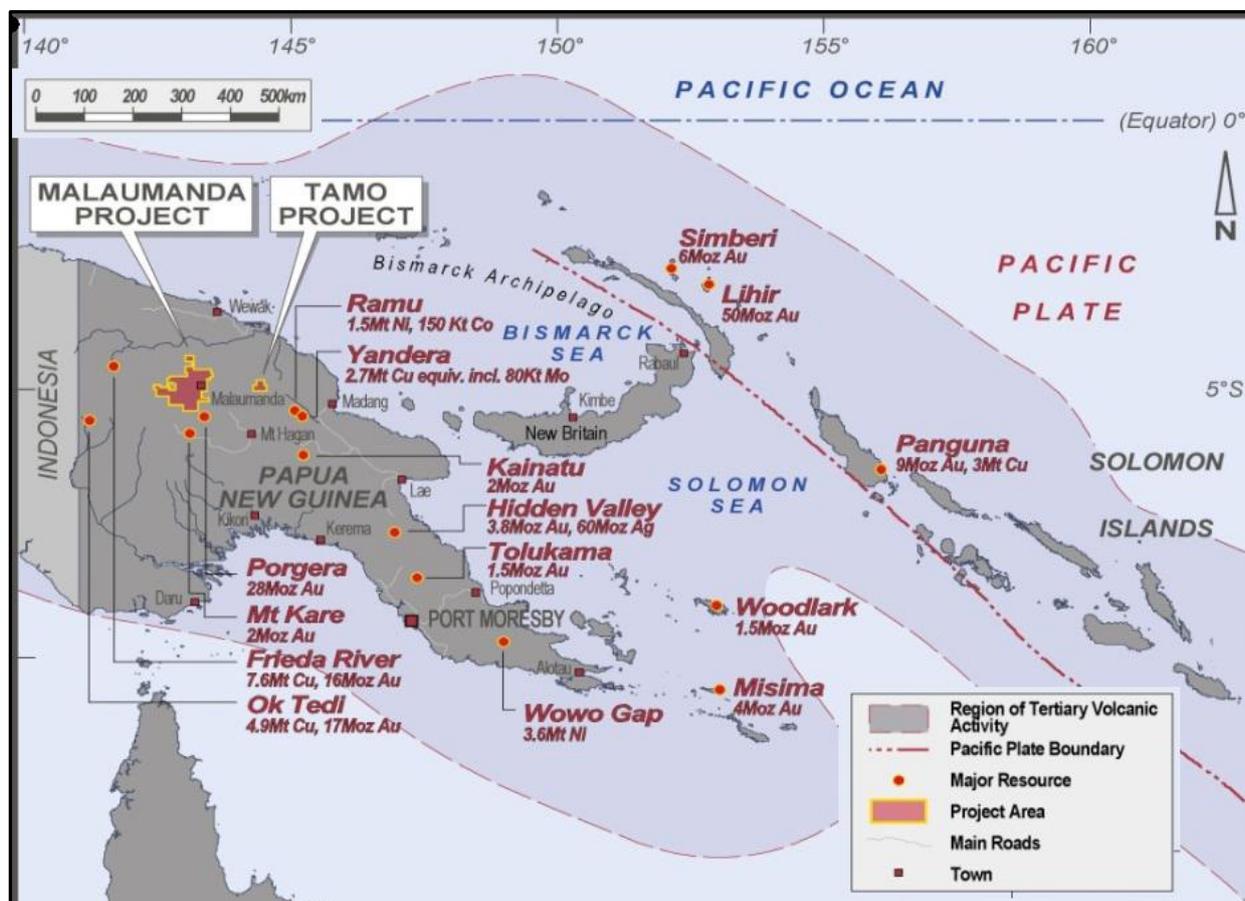
As announced 30 October 2012, Pilbara Minerals Limited has agreed to acquire Sturt Resources Limited (“Sturt”) which has a portfolio of large-scale gold and copper-gold projects in the world-class Highlands region of Papua New Guinea. Sturt is an unlisted public company founded by Neil Biddle (MAusIMM) (Non Executive Director TNG Ltd (ASX: TNG), former technical director Sherwin Iron Ltd (ASX: SHD) and managed by John Young, MAusIMM (former CEO Marinica Energy (ASX: MEY) and Thor Mining Plc (ASX: THR).

The acquisition, which is subject to due diligence and shareholder approval, will reposition Pilbara as a leading minerals explorer and developer in one of the most prospective and under-explored geological regions of the PNG Highlands, with a focus on discovering and developing world-class epithermal gold and porphyry copper-gold deposits.

Pilbara has entered into an agreement to acquire 100% of the share capital of Sturt for a consideration of 162,000,000 ordinary shares of PLS subject to the following Conditions Precedent:

- Shareholder approval by both Pilbara and Sturt members;
- Regulatory approvals if required;
- Due Diligence, legal & financial; and
- Pilbara raising a minimum of \$800,000.

Two Sturt directors and two Pilbara directors will form the board of Pilbara and all of the shares issued to Sturt in consideration for the transaction will be subject to an ASX mandated escrow for 12 months.



Sturt Resources Project Areas - Papua New Guinea

Sturt through its PNG registered subsidiaries holds the title to and/or rights to acquire exploration titles covering almost 4,900 km² in the heart of PNG's Orogenic Copper-Gold Belt which hosts some of the world's largest gold and gold copper ore bodies. World-class mines in this region include Ok Tedi (>10Moz Au, +3Mt Cu), Porgera (>32Moz Au) and Frieda River (>15Moz Au, +17Mt Cu). Australian company Marengo Mining is developing the nearby Yandera Copper-Molybdenum Project.

Sturt's flagship asset is the **Malaumanda Gold and Copper Project**, which comprises one Exploration Licence and three Exploration Licence Applications covering an area of 4,600 km² in the heart of the resource-rich Orogenic Copper-Gold Belt. The southern boundary of the Malaumanda tenements lies approximately 15km north of Barrick's massive Porgera Gold Mine and some 120km along strike from the Frieda River copper-gold deposit.

The other key project within the portfolio is the **Tamo Placer Gold Project**, which offers near-term, low-cost production and cash flow potential.

MALAUMANDA PROJECT

Malaumanda has a 25-year exploration history with a large high-grade epithermal gold system identified from historic drilling encompassing three major vein systems. Sturt has acquired the extensive data resources accumulated by previous explorers who have spent an estimated \$20 million over the last 15 years. Numerous geochemical gold/copper anomalies and geophysical targets including both epithermal and porphyry targets have now been identified within the tenement areas.

Some of the historic trench and diamond drilling results from Malaumanda are summarised below:

Trench results include	Diamond Drill results include
8m at 8.55 g/t Au	21m at 5.7 g/t Au, from 34 to 55m down hole
3m at 11.1 g/t Au	14m at 4.3 g/t Au, from 32to 46m down hole
7m at 11 g/t Au,	10.8m at 4.5 g/t Au, from 59.5m to 70.3m down hole
4.4m at 15 g/t Au.	10m at 5.7 g/t Au, from 34m to 44m down hole

Work over the last 12 months has identified several new targets on the Malaumanda Central tenement (EL 1989) and regionally, 10 priority targets with potential for defining significant porphyry-copper/ gold systems. This targeting work will be enhanced by a recently completed regional interpretation of the aeromagnetics by Southern Geoscience Corporation.

TAMO PLACER GOLD PROJECT

The Tamo Placer Gold Project consists of a Mining Licence and a surrounding Exploration Licence (EL1453) covering approximately 250 km², in which Sturt can earn an interest of up to 70%.

The Tamo Project has modern camp facilities, excavating equipment and an alluvial gold recovery plant on site. Intermittent past production has yielded 10,000oz of alluvial gold, much of it very coarse. Pilot test work over palaeo-channels and placers discovered nuggets (0.1 gm to >30gms) over a 7km stretch of the Tupuka River. There is potential to significantly increase resources in the adjacent and as yet untested Clay River.

More information on this exciting new project will be released to the market over the coming weeks. The company expects the process of completing the acquisition will take approximately 10 to 12 weeks.

Corporate Matters

The Annual General Meeting (AGM) has been set down for 30 November 2012 at the Terrace Restaurant Raffles Room, 167 Kent St, Sydney at 11:00am. The Notice of AGM and Proxy Forms have been sent to shareholders.

Assuming that the due diligence is completed satisfactorily on the proposed Sturt acquisition outlined in this Quarterly Report, a further meeting of shareholders will be called to approve the purchase of Sturt.



Gavan Farley
Director

The information pertaining to the technical content of this announcement has been compiled by Robert (Bob) Adamson, B.Sc., M.Sc. (Hons Geol), MAusIMM, CP (Geo). Mr Adamson is the principal of Robert G Adamson Consultants and a Director of Pilbara Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Adamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.