



PILBARA MINERALS LIMITED

ACN 112-425-788

ASX ANNOUNCEMENT

25 July, 2014

PILBARA RAISES \$2.6M FOLLOWING OVERWHELMING RESPONSE TO SHARE PURCHASE PLAN

75% TAKE-UP UNDER SPP WITH AVAILABLE SHORTFALL HEAVILY OVERSUBSCRIBED AHEAD OF PILBARA'S IMMINENT TRANSITION TO TANTALUM PRODUCTION AND STRATEGIC METALS GROWTH STRATEGY IN WA'S PILBARA REGION

KEY POINTS

- **Share Purchase Plan (SPP) closed on 23 July with applications received for \$1.3M, representing 75% of the SPP cap of \$1.763 million.**
- **Additional applications received for \$1.3M of the available shortfall of \$500,000. The additional demand will be accommodated via a further share placement under the Company's shareholder approved placement capacity and its recently refreshed 15% placement capacity.**
- **This increases the total amount raised, including the recent \$920,000 placement to sophisticated investors, to ~\$3.5M, putting the Company in a very strong position.**
- **The proceeds of the raisings will be used to complete Pilbara's imminent transition to production at the Tabba Tabba Tantalum Project in WA and to execute its growth strategy across its key strategic metals projects in the Pilbara region.**

Pilbara Minerals Ltd (ASX: **PLS**) is pleased to announce the successful completion of its Share Purchase Plan (SPP), which closed on Wednesday, 23 July with an outstanding response from shareholders which has seen total applications received for up to \$2.6 million of shares.

Under the terms of the SPP, which was announced on 7 July, eligible shareholders on the Pilbara register as at 4 July 2014 were offered the opportunity to apply for up to \$15,000 worth of shares without incurring brokerage or transaction costs. The SPP, which was offered at an issue price of 1.5c per share, was not underwritten.

The SPP closed on Wednesday, 23 July with the Company receiving valid applications representing \$1,280,000. This represents 75% of the total cap under the SPP of \$1.763 million or 117.59 million shares and constitutes an outstanding result for an SPP.

In addition, the Company has received further applications from investors totalling \$1,319,500 for the available shortfall under the SPP of approximately \$500,000.

The Board has determined that, in order to accommodate this additional demand, it will undertake a further placement to these investors comprising 87.97 million shares at 1.5c per share to raise a total of \$1.319 million.

This additional share placement is being undertaken within the shareholder approved placement capacity and the Company's available 15% placement capacity, obtained at the General Meeting on 30 May 2014.

An Appendix 3B and Cleansing Notice will be lodged with the ASX upon issue and allotment of the shares issued under the SPP and additional placement. Upon issue, the new shares issued under the SPP and additional placement will rank equally alongside the existing fully-paid ordinary shares on issue.

Pilbara will have approximately 603 million shares on issue following completion of the SPP and additional share placement.

Use of Funds

Together with the proceeds of its recent \$920,000 share placement, the additional funds raised through the SPP and further placement will be used to complete construction of the processing facility for the Company's flagship Tabba Tabba Tantalum Project, located 75km from Port Hedland in WA's Pilbara region, where production is scheduled to commence in October 2014.

Specifically, the funds will be used for the following purposes:

- To complete construction and installation of the 120,000tpa processing plant for the Tabba Tabba Tantalum Project, which is being developed under a 50/50 joint venture between Pilbara and Nagrom Mining Pty Ltd;
- To provide working capital to fund the commencement of mining and commissioning of the Tabba Tabba Project, which is scheduled to commence in October 2014;
- To fund aggressive resource development programs at the Company's other strategic metals assets in the Pilbara region, including:
 - *Drilling to extend the mine life at Tabba Tabba beyond the current 18-month mine life defined by the Feasibility Study. The resource remains open in several directions; and*
 - *Drilling to grow the resource base at the recently acquired Pilgangoora Tantalum-Lithium Project, a potentially world-class tantalum-lithium resource located adjacent to Altura Mining's Pilgangoora lithium resource and where a maiden JORC compliant hard rock tantalum-lithium resource was recently announced by Pilbara.*

Pilbara's Executive Director and CEO Neil Biddle said the strong response to the SPP reflected shareholders' support for the Company's growth strategy, which was based on moving into production as quickly as possible at Tabba Tabba and generating a near-term cash flow from which to grow the Company.

"Tabba Tabba is a great project which will be in production by the end of the year," Mr Biddle said. "In addition, we have some outstanding growth opportunities in front of us, both at Tabba Tabba itself, which we expect to become part of a larger production hub, and at the world-class Pilgangoora Tantalum-Lithium Project.

"I would like to thank our existing and new investors for their support as we embark on our growth and development strategy to become a significant producer of tantalum and lithium in WA," he added.

ENDS

Contacts:**Investors:**

Neil Biddle
Director
Ph: 0418 915 752

Media:

Nicholas Read
Read Corporate
Ph: 0419 929 046

More Information:**What is Lithium?**

Lithium (Li) is recovered from the mineral spodumene and lithium-rich brines. It is used in a range of products such as ceramics, glass, batteries and pharmaceuticals. Lithium use has expanded significantly in recent years due to increasing use in rechargeable batteries in portable electronic devices and in batteries and electric motors for hybrid and electric cars.

What is Tantalum?

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 Joint Venture could supply approximately 7% of the annual market consumption over two years. Global Advanced Metals (Wodgina) Pty Ltd has a 5-year off-take agreement with Pilbara/Nagrom for all tantalite produced from Tabba Tabba and Strelley.

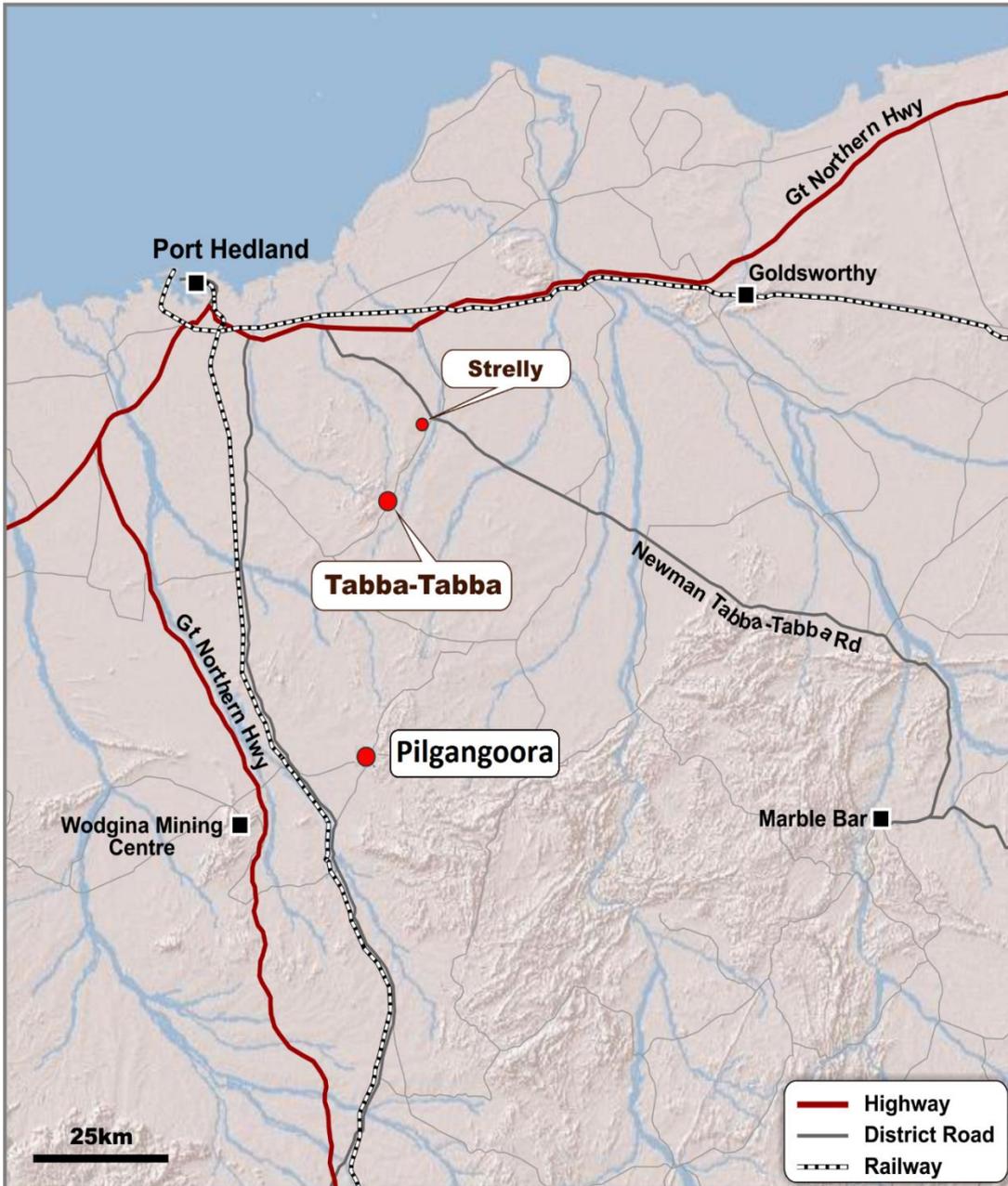


Figure 1 – Pilbara Minerals' WA strategic metals projects