



ACN 112-425-788

ASX ANNOUNCEMENT

11 August, 2014

PILBARA FULLY FUNDED FOR START OF PRODUCTION AND MAJOR EXPLORATION PUSH FOLLOWING SUCCESSFUL \$3M CAPITAL RAISING

STRONG INVESTOR DEMAND INCREASES TOTAL AMOUNT RAISED TO ~\$4M OVER THE PAST SIX WEEKS

KEY POINTS

- **Shortfall applications totalling \$1,735,250 received under the recent Share Purchase Plan (SPP), which closed on 23 July 2014 raising \$1.3M.**
- **Additional shortfall applications have been satisfied under the Company's shareholder-approved placement capacity from the 30 May General Meeting and its full 15% placement capacity. These placement shares will be allotted today.**
- **The shortfall placement increases the total amount raised, including the \$920,000 placement completed on 30 June, to ~\$4M, putting the Company in a very strong position to execute its growth strategy.**
- **The proceeds will be used to complete Pilbara's transition to production at the Tabba Tabba Tantalum Project in WA and to undertake major drilling programs at Tabba Tabba and the newly acquired Pilgangoora Tantalum-Lithium Project.**

Australian strategic metals company Pilbara Minerals Ltd (ASX: **PLS**) is pleased to advise that it is now fully funded to complete its transition to production and to undertake major exploration and resource development programs at its key tantalum and lithium projects in WA's Pilbara region after successfully raising more than \$3 million from existing and new investors.

The funds were raised through the Company's recent highly successful Share Purchase Plan (SPP) and the subsequent placement of shortfall applications received under the SPP, which were well in excess of the available shortfall.

The SPP closed on Wednesday, 23 July with a 75% take-up by existing shareholders, raising a total of \$1.3 million and leaving an available shortfall of \$500,000. The Company has since received total shortfall applications of \$1,735,250, well above the original amount of \$1.3 million outlined in the announcement of 25 July.

Pilbara has satisfied these shortfall applications using its shareholder-approved placement capacity from the May 30 shareholder meeting and its full 15% placement capacity. The shares issued under this placement capacity have now been allotted and an Appendix 3B and Cleansing Notice will be released to the ASX separately today.

Together with the \$920,000 raised through the share placement to sophisticated and professional investors completed on 30 June 2014, the Company has now raised a total of almost \$4 million within the past six weeks.

The new shares issued under the SPP and additional placement will rank equally alongside the existing fully-paid ordinary shares on issue. Following completion of the SPP and shortfall placement, Pilbara Minerals now has a total of 594,050,561 shares on issue.

Pilbara Minerals CEO and Executive Director, Mr Neil Biddle, said the Company was delighted with very strong level of investor support received in recent weeks, with the completion of the raising representing a significant vote of confidence in the Company's dual strategy of moving into production as rapidly as possible while also growing its resource base and mine life through aggressive exploration.

"The Pilbara Minerals story has clearly struck a chord with investors, and I would like to take this opportunity to thank both existing and new investors for their support," Mr Biddle said.

"The combination of near-term production and cash flow from the Tabba Tabba Tantalum Project, which will commence production during the fourth quarter of this year, combined with the outstanding exploration upside offered by Tabba Tabba and the world-class Pilgangoora Tantalum-Lithium Project makes this a very appealing growth story with a solid foundation.

"With the completion of the raisings undertaken over the past six weeks, we are now fully funded both to commence production at Tabba Tabba and to undertake the major drilling programs we have planned to extend our resource inventory and grow our mine life," he added.

Use of Funds

The funds raised through the SPP and the placement of shortfall applications 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:
 - *1,300m of Reverse Circulation drilling at the Tabba Tabba Tantalum Project, commencing in September 2014 designed to assist with mine start-up, pre-strip and grade control mineralisation, as well as to ensure that any additional mineralisation outlined is included in the final open pit design;*
 - *This will include drilling to test extensions of the mineralised pegmatite along strike to the south and west and at depth, providing the foundation to extend the mine life beyond the current 18 months outlined in the Feasibility Study;*
 - *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*
 - *Over 10,000m of RC drilling to upgrade the existing Inferred Resource at the recently acquired Pilgangoora Tantalum-Lithium Project and provide information on the shallower, high-grade zones, and to expand the known resources based on the previously published Exploration Target.*

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.

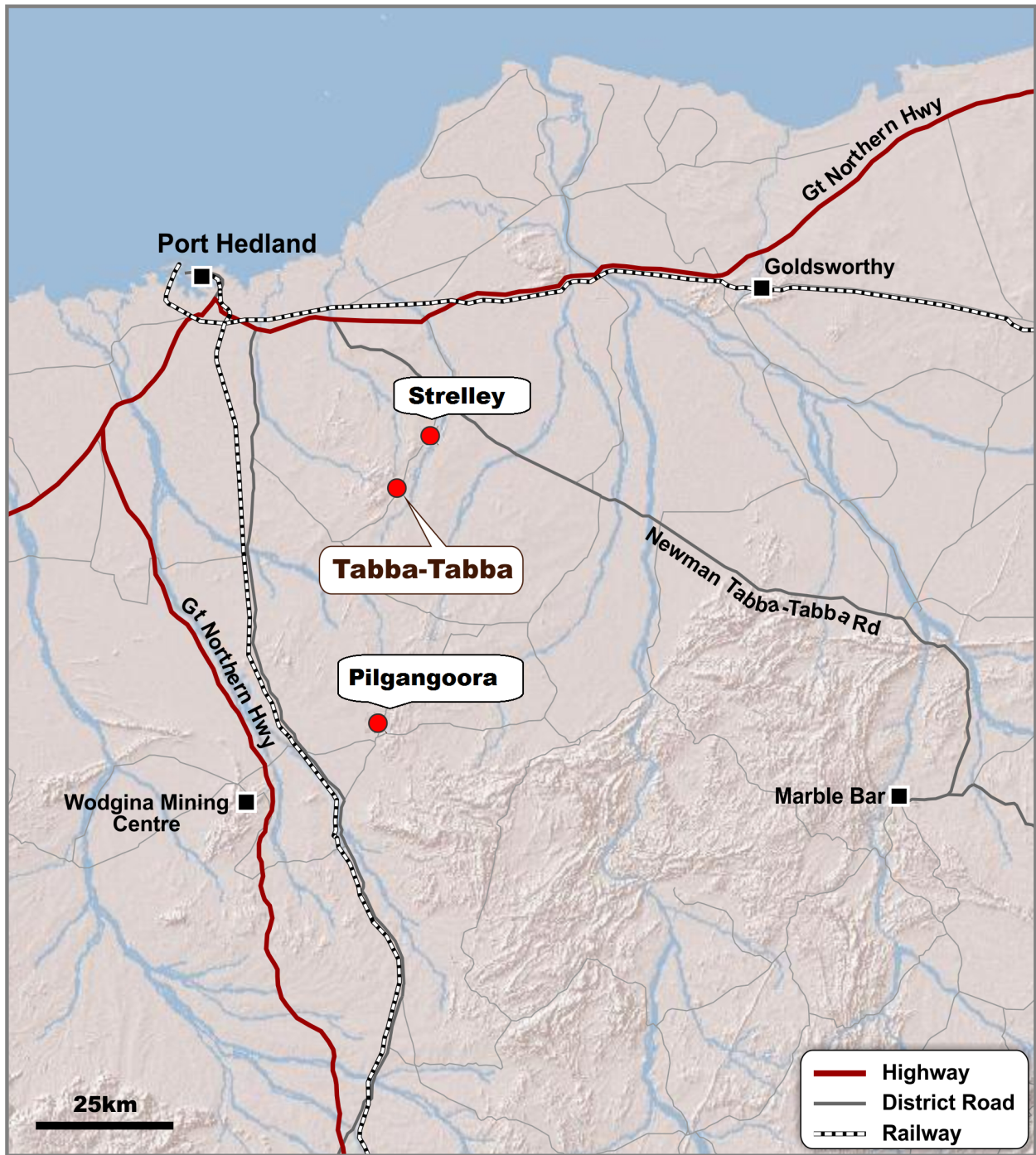


Figure 1 – Pilbara Minerals' WA strategic metals projects