
PILBARA MINERALS LIMITED

ACN 112 425 788

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: 3 October 2014

PLACE: Unit 2, 4-6 Doepel St
West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9336 6267

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING AND HOW TO VOTE

The General Meeting of the Shareholders of Pilbara Minerals Limited to which this Notice of Meeting relates will be held at 10am (WST) on 3 October 2014, at Unit 2, 4-6 Doepel St, North Fremantle, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the time and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:

- (a) post to Pilbara Minerals Limited, Locked Bag 4, North Fremantle 6159;
- (b) facsimile to the Company on facsimile number 08 9433 5121; or
- (c) email to the Company at proxy@pilbaraminerals.com.au,

so that it is received not later than 48 hours before the meeting.

Proxy forms received later than this time will be invalid.

RECENT CHANGES TO VOTING BY PROXY

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Pilbara Minerals Limited will be held at 10am (WST) on 3 October 2014, at Unit 2, 4-6 Doepel St, North Fremantle, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5pm (WST) on 1 October 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – APPROVAL OF EMPLOYEE SHARE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.2 Exception 9, Section 260C(4) of the Corporations Act, and for all other purposes, approval is given for the establishment of an Employee Share Plan, and for the issue of Shares under that plan, as an exception to ASX Listing Rule 7.1 and on the terms and conditions described in the Explanatory Statement accompanying and forming part of this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – APPROVAL OF NON EXECUTIVE DIRECTOR AND CONSULTANT SHARE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.2 Exception 9, and for all other purposes, approval is given for the establishment of a Non Executive Director and Consultant Share Plan, and for the issue of Shares under that plan as an exception to ASX Listing Rule 7.1 and on the terms and conditions described in the Explanatory Statement accompanying and forming part of this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. RESOLUTION 3 – ISSUE OF SHARES UNDER NON EXECUTIVE DIRECTOR AND CONSULTANT SHARE PLAN TO MR NEIL BIDDLE

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

"That, subject to Resolution 2 being approved, for the purposes of ASX Listing Rule 10.14, sections 195(4), 208 and 260C(4) of the Corporations Act and for all other purposes, approval is given for the Directors to issue Shares worth up to \$250,000, capped at a maximum of 20,000,000 Shares, to Director Mr Neil Biddle or his nominee, and to provide a limited recourse loan for the acquisition of those Shares, under the Company's Non Executive Director and Consultant Share Plan on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF SHARES UNDER NON EXECUTIVE DIRECTOR AND CONSULTANT SHARE PLAN TO MR ANTHONY LEIBOWITZ

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

"That, subject to Resolution 2 being approved, for the purposes of ASX Listing Rule 10.14, sections 195(4), 208 and 260C(4) of the Corporations Act and for all other purposes, approval is given for the Directors to issue Shares worth up to \$250,000, capped at a maximum of 20,000,000 Shares, to Director Mr Anthony Leibowitz or his nominee, and to provide a limited recourse loan for the acquisition of those Shares, under the Company's Non Executive Director and Consultant Share Plan on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF SHARES UNDER NON EXECUTIVE DIRECTOR AND CONSULTANT SHARE PLAN TO MR ROBERT ADAMSON

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

"That, subject to Resolution 2 being approved, for the purposes of ASX Listing Rule 10.14, sections 195(4), 208 and 260C(4) of the Corporations Act and for all other purposes, approval is given for the Directors to issue Shares worth up to \$50,000, capped at a maximum of 4,000,000 Shares, to Director Mr Robert Adamson or his nominee, and to provide a limited recourse loan for the acquisition of those Shares, under the Company's Non Executive Director and Consultant Share Plan on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 77,353,326 Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 26 AUGUST 2014

BY ORDER OF THE BOARD

**ZANE LEWIS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Unit 2, 4-6 Doepel St, North Fremantle.

This purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTIONS 1 AND 2 – APPROVAL OF SHARE PLANS

Resolution 1 seeks Shareholders approval for the adoption of the Company's employee incentive scheme entitled the "Pilbara Minerals Limited Employee Share Plan" (**Employee Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

Resolution 2 seeks Shareholders approval for the adoption of the Company's employee incentive scheme entitled the "Pilbara Minerals Limited Non Executive Director and Consultant Share Plan" (**Non Executive Director and Consultant Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to issue Shares under the Employee Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 2 is passed, the Company will be able to issue Shares under the Non Executive Director and Consultant Share Plan to eligible participants who are not related parties of the Company over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Employee Share Plan or the Non Executive Director and Consultant Share Plan (together, the **Plans**).

The issue of any Shares under the Plans to Directors or other related parties will be subject to the Company obtaining separate Shareholder approval. For this reason, the Company is also seeking approval under Resolutions 3, 4, and 5 for the issue of Shares to certain Directors pursuant to the Plans.

The objective of the Plans is to attract, motivate and retain officers, key employees and consultants and it is considered by the Company that the adoption of the Plans and the future issue of Shares under the Plans will provide selected officers, employees and consultants with the opportunity to participate in the future growth of the Company.

A summary of the key terms and conditions of the Plans is set out in Schedule 1. The Plans are on materially the same terms other than in respect of who may be offered Shares under a Plan. In addition, a copy of each Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of each Plan can also be sent to Shareholders upon request to the Company Secretary Mr Zane Lewis. Shareholders are invited to contact the Company if they have any queries or concerns.

2. RESOLUTIONS 3, 4 AND 5 - ISSUE OF SHARES AND APPROVAL OF LOANS UNDER PLANS TO RELATED PARTIES

2.1 Issue of Shares and approval of Loans

The Company has agreed, subject to obtaining Shareholder approval, to offer:

- (a) Mr Neil Biddle (or his nominee) the right to acquire Shares under the Non Executive Director and Consultant Share Plan with a total value of up to \$250,000, capped at 20,000,000 Shares (Resolution 3);
- (b) Mr Anthony Leibowitz (or his nominee) the right to acquire Shares under the Non Executive Director and Consultant Share Plan with a total value of up to \$250,000, capped at 20,000,000 Shares (Resolution 4); and
- (c) Mr Robert Adamson (or his nominee) the right to acquire Shares under the Non Executive Director and Consultant Share Plan with a total value of up to \$50,000, capped at 4,000,000 Shares (Resolution 5);

(Mr Anthony Leibowitz, Mr Neil Biddle and Mr Robert Adamson together the **Eligible Participants**).

The Company intends to grant a limited recourse, interest free loan to each of the Eligible Participants to subscribe for the Shares offered to them under the Non Executive Director and Consultant Share Plan (**Loans**).

The Shares are to be issued to the Eligible Participants to provide further incentive to perform and to secure the ongoing commitment of the Eligible Participants to the continued growth of the Company.

2.2 Related Party Transaction

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The provision of the Loans to each of the Eligible Participants requires the Company to obtain Shareholder approval because:

- (a) the limited recourse, interest free Loans to acquire the Shares constitute giving a financial benefit; and

- (b) as Directors, the Eligible Participants are related parties of the Company.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought under Chapter 2E of the Corporations Act for the issue of the Shares, and the grant of the Loans, to the Eligible Participants.

Resolutions 3, 4 and 5 are subject to Resolution 2 being approved by Shareholders.

2.3 Technical Information requires by Chapter 2E of the Corporations Act and Listing Rules 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Shares to the Eligible Participants:

- (a) the related parties are Mr Anthony Leibowitz, Mr Neil Biddle, Mr Robert Adamson and they are related parties by virtue of being Directors;
- (b) the issue price of the Shares will be not less than the volume weighted average market price (**VWAP**) at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the offer by the Eligible Participant (**Issue Price**);
- (c) the maximum number of Shares that will be issued to the Eligible Participants will depends on the Issue Price, provided that the maximum number will be capped as follows, which assumes an Issue Price of \$0.0125 per Share:
- (i) 20,000,000 Shares in the case of Mr Anthony Leibowitz;
- (ii) 20,000,000 Shares in the case of Mr Neil Biddle; and
- (iii) 4,000,000 Shares in the case of Mr Robert Adamson;
- (d) the following table indicates the maximum number of Shares that will be offered based on a range of hypothetical Issue Prices for the Company's Shares (the 5 day VWAP of Shares to the date before the date of this Notice is \$0.02586):

Issue Price (Share 5 day VWAP)	Eligible Participant	Maximum Number of Shares
\$0.0125	Mr Anthony Leibowitz	20,000,000
	Mr Neil Biddle	20,000,000
	Mr Robert Adams	4,000,000
\$0.025	Mr Anthony Leibowitz	10,000,000
	Mr Neil Biddle	10,000,000
	Mr Robert Adams	2,000,000

\$0.0375	Mr Anthony Leibowitz	6,666,666
	Mr Neil Biddle	6,666,666
	Mr Robert Adams	1,333,333

- (e) the maximum amount of the Loan to be provided to each Eligible Participant (or their nominees) will be:
- (i) \$250,000 to Anthony Leibowitz; and
 - (ii) \$250,000 to Mr Neil Biddle; and
 - (iii) \$50,000 to Mr Robert Adamson;
- (f) no funds will be raised from the issue of the Shares as there will be no change to the Company's cash position (ie the Loans made by the Company will be used to subscribe for the Shares to be issued to the Eligible Participants). Amounts repaid to the Company by the Eligible Participants in the future in satisfaction of the Loan will be used by the Company for general working capital purposes;
- (g) no Shares have previously been issued under the Plans nor have the Plans previously been adopted by Shareholders;
- (h) the following persons referred to in ASX Listing Rule 10.14, being all the non executive Directors of the Company, are entitled to participate in the Non Executive Director and Consultant Share Plan: Mr Anthony Leibowitz, Mr Roberts Adams and Mr Neil Biddle;
- (i) each Loan, being a financial benefit to the relevant Eligible Participant, will be provided on the following key terms and otherwise subject to the terms and conditions of the Non Executive Director and Consultant Share Plan, a summary of which is set out in Schedule 1:
- (i) **(limited-recourse)**: the Loan is secured against the Shares but the Eligible Participant is not personally liable for the Loan. In other words, in the event the Shares are sold to repay the Loan and the sale proceeds are insufficient to cover the amount of the Loan which is outstanding, the Company cannot recover the remaining amount from the Eligible Participant. Conversely, where the sale proceeds are greater than the amount of the Loan, the Company will not receive any additional repayment as the Eligible Participant is entitled to the surplus proceeds;
 - (ii) **(interest free)**: the Loan will be interest free unless otherwise agreed by the Eligible Participant; and
 - (iii) **(term)**: three years from the date of issue of the Shares subject to earlier repayment in accordance with the terms of the Non Executive Director and Consultant Share Plan (eg ceasing to be an employee/officer of the Company, an event of insolvency);
- (j) subject to an Eligible Participants accepting an offer, the Shares will be issued to the Eligible Participant no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

- (k) the Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and otherwise on the terms and conditions of the Non Executive Director and Consultant Share Plan, as summarised in Schedule 1 of this Explanatory Statement. The Shares will be subject to a holding lock until such time as the Loan has been extinguished or repaid under the terms of the Non Executive Director and Consultant Share Plan;
- (l) the relevant interests of the Eligible Participants in securities of the Company as at the date of this Notice are set out below:

Eligible Participant	Shares	Options (Listed)	Options (Unlisted)
Anthony Leibowitz ¹	17,089,933	Nil	1,666,666
Neil Biddle ²	34,437,506	Nil	3,333,333
Robert Adamson ³	3,684,335	Nil	Nil

Notes:

1. Mr Anthony Leibowitz holds his Shares and Options indirectly. The options are exercisable at 3.0 cents before 25 March 2017. He also indirectly holds 50,000 unsecured Class A convertible notes (\$1.00 face value each, maturing 25 September 2015).

2. Mr Neil Biddle holds 2,350,000 Shares directly and the remainder indirectly. The options are exercisable at 3.0 cents before 25 March 2017. He also holds 100,000 unsecured Class A convertible notes (\$1.00 face value each, maturing 25 September 2015).

3. Mr Robert Adamson holds 100,000 of his Shares jointly with Gaele Adamson and the rest directly.

- (m) the amounts paid from the Company to the Eligible Participants and their associates for the previous two financial years are set out below:

Eligible Participant	2012/13	2013/14*
Anthony Leibowitz	\$3,000	\$107,328
Neil Biddle	\$3,000	\$122,903
Robert Adamson	\$45,150	\$36,000

* The Company anticipates that the Directors will be paid materially the same amounts for the 2013/14 financial year.

- (n) the Company has 594,050,561 Shares on issue as at the date of this Notice of Meeting. The issue of Shares to the Eligible Participants will increase the number of Shares on issue. Assuming that no other Options are exercised and no other Shares issued, the shareholding of existing Shareholders would be diluted as follows:

Issue Price (Share 5 day VWAP)	Eligible Participant	Maximum Number of Shares	Dilutionary effect upon issue of Shares
\$0.0125	Anthony Leibowitz	20,000,000	3.257%
	Neil Biddle	20,000,000	3.257%
	Robert Adamson	4,000,000	0.669%

\$0.025	Anthony Leibowitz	10,000,000	1.655%
	Neil Biddle	10,000,000	1.655%
	Robert Adamson	2,000,000	0.336%
\$0.0375	Anthony Leibowitz	6,666,666	1.110%
	Neil Biddle	6,666,666	1.110%
	Robert Adamson	1,333,333	0.224%

- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	0.030	29/7/2013
Lowest	0.008	22/10/2013
Last	0.023	19/08/2014

- (p) the primary purpose of the provision of the Loans to the Eligible Participants is to enable the Eligible Participants to subscribe for Shares under the Non Executive Director and Consultant Share Plan and thereby provide cost effective consideration for their ongoing commitment and contribution to the Company;
- (q) the Directors consider that in providing the Loans to the Eligible Participants upon the terms proposed, the following opportunity cost to the Company and benefits foregone by the Company may occur:
- (i) no interest is payable on the Loans. The Company estimates that the interest foregone, based on a risk free interest rate of 2.54% per annum, is up to a maximum of approximately \$6,350 in respect of Mr Anthony Leibowitz and \$6,350 in respect of Mr Neil Biddle, and \$1,270 in respect of Mr Robert Adamson;
 - (ii) the Loans are limited-recourse, which means the full amount of the Loan may not be recovered where the Shares are sold for less than the amount outstanding on the Loan. In addition, where the sale proceeds are greater than the amount of the Loan, the Company will not receive any additional repayment as the Eligible Participant is entitled to the surplus proceeds;
- (r) the Company will not incur any costs or fees in relation to issuing the Shares to the Eligible Participants, other than listing fees payable to ASX which are not expected to be any more than \$4,184;
- (s) Mr Neil Biddle declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. Mr Neil Biddle recommends that Shareholders vote in favour of Resolutions 4 and 5 for the following reasons:
- (i) the use of the Loans by each Eligible Participant (other than himself) to subscribe for Shares will align the interests of the Eligible Participants (other than himself) with those of Shareholders by creating a stronger link between performance, resulting in increased Shareholder value and reward to the

Eligible Participant (other than himself). Each Eligible Participant (other than himself) will have a greater involvement with, and share in, any future growth and profitability of the Company; and

- (ii) the provision of the Loans (including the value of the financial benefit, being the foregone interest) is a reasonable and appropriate method to provide benefits to the Eligible Participants (other than himself) as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash benefits were given to the Eligible Participants (other than himself); and
- (t) Mr Anthony Leibowitz recommends that Shareholders vote in favour of Resolutions 3 and 5 for the reasons set out in paragraph (s). Mr Anthony Leibowitz declines to make a recommendation to Shareholders in relation to Resolution 4 due to their material personal interest in the outcome of the Resolution;
- (u) Mr Robert Adamson recommends that Shareholders vote in favour of Resolutions 3 and 4 for the reasons set out in paragraph (s). Mr Robert Adamson declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution;⁷
- (v) in forming their recommendations, each Director considered the experience of each other Eligible Participant, the existing and proposed contribution of each Eligible Participant to the Company and the current market practices when determining the provision of the Loan upon the terms proposed; and
- (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3, 4 and 5.

3. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

3.1 General

On 11 August 2014, the Company issued 77,353,326 Shares at an issue price of \$0.015 per Share to raise \$1,160,300 before costs.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 77,353,326 Shares were issued;
- (b) the issue price was \$0.015 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors who subscribed for shortfall under the Company's recent share purchase plan. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are being used for development of the Company's Tabba Tabba Project and working capital.

4. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9336 6267 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Wednesday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Pilbara Minerals Limited (ACN 112 425 788).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors means the current directors of the Company.

Employee Share Plan means the Company's employee share plan, the material terms of which are summarised in Schedule 1 of this Notice.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Non Executive Director and Consultant Share Plan means the Company's non executive director and consultant share plan, the material terms of which are summarised in Schedule 1 of this Notice.

Notice of Meeting or **Notice of General Meeting** means this notice of General meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF PLANS

Outlined below is a summary of the key terms of the Company's Employee Share Plan and Non Executive Share Plan (together the Plans).

- (a) **Eligibility:** Eligible Participants for the Plans are as follows:
 - (i) **Employee Share Plan:** Executive Directors and full-time and part-time employees of the Company or any of its subsidiaries (**Company Group**) are eligible to participate in the Employee Share Plan; and
 - (i) **Non Executive Director and Consultant Share Plan:** Non Executive Directors and consultants of the Company Group are eligible to participate in the Non Executive Share Plan.
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plans and has a broad discretion to determine which Eligible Participants will be offered Shares under the Plans.
- (c) **Number of Shares offered:** The Board determines the number of Shares offered to Eligible Participants in the Plans having regard to:
 - (i) the seniority of the Eligible Participants and the position the Eligible Participants occupies with the Company Group, or the services provided by the Eligible Participant;
 - (ii) the length of service of the Eligible Participant with the Company Group;
 - (iii) the record of employment or service of the Eligible Participant with the Company Group;
 - (iv) the potential contribution of the Eligible Participant to the growth and profitability of the Company Group; and
 - (v) any other matters which the Board considers relevant.
- (d) **Offer:** The Board may issue an offer to an Eligible Participants to participate in the Plan. The offer will specify:
 - (i) the maximum number of Shares being offered to the Eligible Participant or the manner in which the maximum number is to be calculated;
 - (ii) the Issue Price of the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) whether the Company is prepared to grant the Eligible Participant a Loan in accordance with the Plan, and the terms of any Loan;
 - (iv) the Restriction Conditions (if any); and
 - (v) the Acceptance Date.
- (e) **Issue price:** if a Loan is offered, the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the offer by the Eligible Participant.

- (f) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment or service) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (g) **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant (**Loan**), on the following terms:
- (i) the Loan will be interest free unless the Company and the Eligible Participant agree otherwise or the offer otherwise specifies;
 - (ii) the Loan made available to an Eligible Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date shall be determined by the Board and set out in the offer;
 - (iv) an Eligible Participant must repay the Loan in full by the Loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the Loan repayment date; and
 - (v) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates.
- (h) **Loan Repayment:** A Loan shall become repayable in full where:
- (i) the Eligible Participant ceases to be an Eligible Participant for any reason (including death);
 - (ii) the Eligible Participant suffers an Event of Insolvency (as defined in the Plan);
 - (ii) the Eligible Participant breaches any condition of the Loan or the Plan; or
 - (iv) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (i) **Sale of Shares:** Where a Loan becomes repayable and, at that time:
- (i) a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Plan; or
 - (ii) any Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Eligible Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Plan.
- (j) **Method of Sale:** Where Shares must be sold by the Company, the Company shall:
- (i) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under Section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date; and

- (ii) apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Eligible Participant any cash consideration paid by the Eligible Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Eligible Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of
- (j) **Power of Attorney:** The Eligible Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Eligible Participant's Shares in accordance with the Plan.
- (k) **Plan limit:** In respect of the Employee Share Plan, the Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Employee Share Plan when aggregated with:
 - (i) the number of Shares issued during the previous 5 years under the Employee Share Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
- (l) **Restriction on transfer:** Participants may not sell or otherwise deal with a Share issued under a Plan until the Loan Amount in respect of that Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (m) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon the Share becoming unrestricted. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (n) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the Issue Date.

APPOINTMENT OF PROXY FORM

PILBARA MINERALS LIMITED
ACN 112 425 788

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named, or if no person is named, the Chair, or the Chair's nominee, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions, (or if no directions have been given, and subject to the relevant laws, as the proxy sees fit) at the Meeting to be held at 10.00am WST, on 3 October 2014 at Unit 2, 4-6 Doepel St West Perth WA 6005 and at any adjournment or postponement thereof.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 to 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 to 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair is, (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Resolutions 1 to 6 by marking the appropriate box below.

The Chair intends to vote undirected proxies in favour of each Resolution. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Non Executive Director and Consultant Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares under Non Executive Director and Consultant Share Plan – Neil Biddle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares under Non Executive Director and Consultant Share Plan – Anthony Leibowitz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares under Non Executive Director and Consultant Share Plan – Robert Adamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Pilbara Minerals Limited, Locked Bag 4, North Fremantle 6159; or
 - (b) facsimile to the Company on facsimile number +61 8 9433 5121; orso that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.