



ASX/Media Announcement

Thursday, 21 June 2018

FIRST CONCENTRATES PRODUCED AT PILGANGOORA

Outstanding early results in plant commissioning with the successful delivery of initial fines spodumene and tantalite concentrates from the Pilgangoora Concentrator

Further to its ASX announcement of 13 June 2018 regarding the start of plant commissioning, Pilbara Minerals Limited (ASX: PLS) (“**Pilbara**” or “**the Company**”), is pleased to advise that it has produced the first concentrates at its 100%-owned Pilgangoora Lithium-Tantalum Project in WA.

The successful production of the initial spodumene and tantalum concentrates is a significant commissioning milestone, marking a key step on the path to full production as Pilbara Minerals begins its transformation from developer to become a pre-eminent global lithium and tantalum raw materials producer.



Fines Spodumene Concentrate Discharged from the Filter Press at the Pilgangoora Project (Photo 1)

The initial concentrate has not been tested for specifications or quality, however early signs indicate that the process plant and equipment is performing as expected.

Pilbara Minerals’ Managing Director and CEO, Ken Brinsden, said the production of initial fines concentrates was a significant and exciting milestone, coming just a week after the commissioning process commenced at the Pilgangoora Concentrator.

“This is a great result, which marks the culmination of the incredible hard work our entire team has put in to transform the amazing resource at Pilgangoora into a globally significant lithium raw materials production base – with Stage 1 of the project having been delivered in less than four years since the first drill hole,” he said.

“Pilbara’s great people and all of our important partners have done an amazing job. The Board is very proud of their achievements – which stand-out for the strong technical work supporting the project, the quality of the build and the speed with which the entire project has been delivered.

“Add to that the incredible scale of the resource, our ability to continue to expand production, the quality of our products and the expected low-cost of operations – and you can see why Pilgangoora is one of the world’s leading lithium production and development projects,” he added.

The first fines concentrate at Pilgangoora was produced through the flotation circuit, with the coarse concentrate circuit (referred to as heavy/dense media separation (DMS)) continuing to be constructed and to be brought online in the coming weeks. The fines circuit was prioritized during commissioning for the higher proportion of product that is yielded through this circuit at the start of production. Over the coming weeks all remaining construction activities (primarily within the coarse circuit) are expected to be completed with further commissioning and testing to then be undertaken through the combined coarse and fines circuit.

The Company will target delivery of its first shipment of spodumene concentrate in August of this year and is currently in the process of working through the remaining logistics, shipment and payment details consistent with its Stage 1 off-take agreements with its partners Ganfeng and General Lithium.

Following the initial commissioning of the flotation and dense media separation (DMS) circuits over the next six weeks, Pilbara’s operating team will then focus on continuing to ramp-up the plant’s overall production capacity, with Lithia and Tantalite recoveries expected to match the designed Stage 1 capacity. This process is anticipated to take approximately 6-9 months, with production expected to incrementally increase during the ramp-up period.

Direct Shipping Ore (DSO) production is expected to continue within this period. DSO mining is currently well ahead of the shipment program with excellent reconciliation to the required shipment specifications being achieved during mining.

DSO invoicing in line with the DSO Sale Agreement with Atlas Iron Limited has already occurred, with payment for the first month’s production (May 2018) already received.



Tantalite Concentrate on the Wet Table (Photo 2) and Final Primary Tantalite Concentrate (Photo 3)

Additional Information:

ABOUT PILBARA MINERALS LIMITED

Pilbara Minerals Limited (“Pilbara” – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration, development and production of concentrates supporting the production of the specialty metals lithium and tantalum. Pilbara owns 100% of the world class Pilgangoora Lithium-Tantalum Project which is among the largest Spodumene (Lithium Aluminium Silicate) projects in the world. Pilgangoora is also one of the largest pegmatite hosted tantalite resources in the world and Pilbara proposes to produce tantalite as a by-product of its spodumene production.

ABOUT LITHIUM

Lithium is a soft silvery white metal which is highly reactive and does not occur in nature in its elemental form. It has the highest electrochemical potential of all metals, a key property in its role in Lithium-ion batteries. In nature, it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications 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 consumer

electronics, power station-domestic-industrial storage, electric vehicles, power tools and almost every application where electricity is currently supplied by fossil fuels.

ABOUT TANTALUM

The tantalum market is boutique in size with around 1,300 tonnes required each year. Its primary use is in capacitors for consumer electronics, super alloys as in aircraft engines, flat panel displays, surgical instruments and particularly where high melting point, strength, ductility and anti-corrosive performance is required.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They are indicative and may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this announcement are to Australian currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

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