



**PILBARA MINERALS**  
LIMITED

ACN 112-425-788

**ASX ANNOUNCEMENT**

**22 June 2015**

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**MARKET UPDATE ON CONVERTIBLE NOTE ISSUE**

Further to the announcement made on 1 June 2013 of a proposed Convertible Note Issue of \$5,700,000, Pilbara Minerals Limited (ASX:PLS) ( "**Pilbara**" or "**the Company**") is pleased to advise that it has today issued the first tranche of Secured Convertible Notes with a face value of \$1,700,000, which will mature on 21 December 2016.

In addition, the Company has issued 21,250,000 unlisted options to the applicants being options exercisable at \$0.05 per option and expiring on 21 December 2016.

The Company is also pleased to advise that all documentation has been completed with respect to the proposed issue of a second tranche of Secured Convertible Notes to the value of \$4,000,000 (with attaching options).

The second tranche of Secured Convertible Notes is subject to approval by shareholders at an extraordinary General Meeting, which is expected to be held in early August 2015. The Notice of Meeting will be issued shortly.

The funds raised from the issues will be utilised in the ongoing development of the Pilgangoora and Tabbatabba projects. In particular the company intends ramping up development of the Pilgangoora project and will shortly be commencing prefeasibility work including conversion of the Exploration Licences to Mining leases. Discussions are underway with potential offtake partners for Pilgangoora spodumene (lithium) and tantalum and a number of environmental, hydrology and engineering studies will be running concurrently with resource drilling for the remainder of this year.

An Appendix 3B detailing today's issues and the proposed issue of the second tranche of Convertible Notes and options is attached.

**Alan Boys**  
**Company Secretary**  
**Pilbara Minerals Limited**

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**Pilbara Minerals Limited**

ABN

95 112 425 788

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | <ul style="list-style-type: none"><li>(a) Unlisted Convertible Notes</li><li>(b) Unlisted Convertible Notes</li><li>(c) Unlisted Options</li><li>(d) Unlisted options</li></ul> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none"><li>(a) 1,700,000</li><li>(b) 4,000,000</li><li>(c) 21,250,000</li><li>(d) 50,000,000</li></ul>   |

+ See chapter 19 for defined terms.

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- (a)
- A maturity date of 21 December 2016
  - Coupon rate of 15% per annum, payable quarterly in arrears.
  - Conversion price is 80% of the previous 5 day weighted average price of the Company's ordinary shares
  - The Noteholder may elect to convert the notes from six month after the date of issue until the maturity date upon providing the Company with a Conversion Notice
- (b)
- A maturity date of 18 months from the date of issue
  - Coupon rate of 15% per annum, payable quarterly in arrears.
  - Conversion price is 80% of the previous 5 day weighted average price of the Company's ordinary shares
  - The Noteholder may elect to convert the notes from six month after the date of issue until the maturity date upon providing the Company with a Conversion Notice
- (c)
- Unlisted, non-transferable options
  - Exercise price of \$0.05
  - Expiry date of 21 December 2016
- (d)
- Unlisted, non-transferable options
  - Exercise price of \$0.05
  - Expiry date of a8 months from date of issue

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+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) and (b) No, upon conversion all shares will rank equally with Pilbara Minerals Ltd fully paid ordinary shares trading on the ASX under code PLS</p> <p>(c) and (d) No, upon exercise of the options into fully paid shares the allotted and issued shares will rank equally with Pilbara Minerals Limited fully paid ordinary shares trading on the ASX under Code PLS.</p> <p>The Convertible Note and the options do not entitle the holder to participate in the next dividend payment</p>
<p>5 Issue price or consideration</p>	<p>(a) and (b) \$1.00 per note. (c) and (d) Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> <li>• to advance exploration and mining studies in relation to the Company's Pilgangoora Project;</li> <li>• for commissioning and operating capital associated with the Company's Tappa Tappa Project;</li> <li>• for general working capital requirements of the Company; and</li> <li>• to satisfy the costs associated with the convertible note issue.</li> </ul>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable</p>
<p>6c Number of <sup>+</sup>securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

<sup>+</sup> See chapter 19 for defined terms.

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6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 36,125,984 7.1A Not applicable	
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	(a) and (c) 22 June 2015 (b) and (d) TBA	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		645,049,000	Ordinary Fully Paid Shares

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+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	30,386,660	Options with an exercise price of \$0.03 and an expiration date of March 25, 2017
		169,100	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 25 September 2015
		855,900	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 30 November 2015
		1,700,000	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 30 November 2015
		4,000,000	Convertible Notes with a face value of \$1.00 per note maturing on the earlier of a Conversion Date or 18 months from date of issue (yet to be issued)
		21,250,000	Options with an exercise price of \$0.05 and an expiration date of December 21, 2016
		50,000,000	Options with an exercise price of \$0.05 and an expiration date of 18 months from date of issue (yet to be issued)

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) NA

**Part 2 - Pro rata issue**

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new offer documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue NA

23 Fee or commission payable to the broker to the issue NA

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+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	NA
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do security holders sell their entitlements <i>in full</i> through a broker?	NA
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA
32	How do security holders dispose of their entitlements (except by sale through a broker)?	NA
33	<sup>+</sup> Issue date	NA

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1 (Ordinary Securities Only)

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<sup>+</sup> See chapter 19 for defined terms.



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(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

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39 +Class of +securities for which quotation is sought 

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in clause 38)	

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 22 June 2015  
Company Secretary)

Print name: Alan Boys

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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	330,297,262
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	118,625,505  177,353,326
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	626,276,093

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<b>Step 2: Calculate 15% of “A”</b>	
“B”	93,941,414
<b>Multiply</b> “A” by 0.15	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>18,772,907 Previous Issues</p> <p>17,842,523 being shares at a conversion price of \$0.095278 being 80% of the prior 5 day VWAP on 22 June 2015 in respect of Convertible Notes with a face value of \$1,700,000 which mature on 21 December 2016.</p> <p>21,250,000 Options exercisable at \$0.05 and expiring on 21 December 2016</p>
“C”	57,815,430
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	93,941,414
<p><b>Subtract</b> “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	57,815,430
<b>Total</b> [“A” x 0.15] – “C”	36,125,984

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	NA
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	NA <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	NA
<b>“E”</b>	Nil

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	<i>Nil</i> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.