



PILBARA MINERALS
LIMITED



ANNUAL REPORT 2015

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CORPORATE INFORMATION

Pilbara Minerals Limited

ABN 95 112 425 788

Directors

Tony Leibowitz – Non-Executive Chairman

Neil Biddle – Executive Director

Robert Adamson – Non-Executive Director

John Young – Executive Director

Company Secretary

Alan Boys

Registered Office and Principal Place of Business

130 Stirling Highway

North Fremantle WA 6159

Telephone: + 61 8 9336 6267

Fax: + 61 8 9433 5121

Website: www.pilbaraminerals.com.au

Share Register

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

Telephone: (08) 9389 8033

Website: www.advancedshare.com.au

Solicitors

DLA Piper

Level 31, 152-158 St Georges Terrace

Perth WA 6000

Bankers

National Australia Bank

Level 1, 1238 Hay Street

West Perth, WA 6005

Auditors

Somes Cooke

Level 2, 35 Outram Street

West Perth WA 6005

ASX Code

PLS

CHAIRMAN'S LETTER

Dear Shareholder,

The past year has been an extremely busy and productive year for Pilbara, with the emergence of our Pilgangoora project as a resource of global significance that will provide the Company with the opportunity to become a major supplier in both the Lithium and Tantalum markets.

Progress to production for the Company's Tabba Tabba Tantalum project experienced a number of ongoing delays with regulatory approvals. However, Tabba Tabba is now well on track to shortly commence production and transition the Company from explorer to producer.

Since acquiring the Pilgangoora project in July 2014, the Company has made outstanding progress in evaluating the enormous potential of its Lithium and Tantalum resource, with the most recent resource statement establishing Pilgangoora as the world's second largest hard rock Spodumene (Lithium-Tantalum) deposit, with potential for significant further expansion of this resource.

The metallurgical results for Pilgangoora to date have generated huge interest from international buyers of its output, with MOU's being entered into with major international commodity firms for negotiation of off-take and agency agreements for the entire likely initial output from Pilgangoora.

The past year has seen the building blocks laid for the development of Pilbara Minerals Limited as a significant producer in the rapidly developing specialty metals markets of lithium and tantalum. With a high quality large resource, located in close proximity to the shipping and logistics infrastructure of Port Hedland, the company is well positioned to profitably meet the rapidly expanding demand for these metals as the world increasingly adopts new energy storage and technologies.

The management and staff of our Company have embraced the challenges of transforming Pilbara from a small explorer to becoming a producer of global significance with incredible enthusiasm and energy. Similarly we have been encouraged and supported by our loyal shareholders who have continued to share our vision for the company.

On behalf of the board of directors, I would like to thank management, our employees and contractors for their commitment, productivity and initiative.

Your board expects that the foundations laid over the past year have provided the Company with an exciting opportunity to build shareholder value in the years ahead.

Tony Leibowitz
Chairman
Pilbara Minerals Limited

PILBARA MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS REPORT

Your Directors present their report together with the financial statements of the Group consisting of Pilbara Minerals Limited (or "the Company") and the entities it controlled during the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

1. INFORMATION ON DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Directors	Position	Duration of Appointment
Tony Leibowitz	Non-Executive Chairman	(Appointed 30 May June 2013)
Neil Biddle	Executive Director	(Appointed 30 May 2013)
Robert Adamson	Non-Executive Director	(Appointed 1 July 2010)
John Young	Executive Director	(Appointed Alternate Director for Neil Biddle 8 July 2015, appointed Director 4 September 2015)

2. INFORMATION ON DIRECTORS

TONY LEIBOWITZ

Non- Executive Chairman

FCA

Experience and expertise

Mr. Tony Leibowitz is a Fellow of The Institute of Chartered Accountants in Australia and has more than 30 years of corporate finance, investment banking and broad commercial experience. He has a strong track record in capital raisings, mergers and acquisitions, business restructuring and corporate governance and was previously a global partner at PricewaterhouseCoopers based in Perth and Sydney for 12 years.

Other current directorships

Mr. Leibowitz is not currently a director of any other public listed company

Former directorships in the last three years

Bluestone Global Limited 7 September 2012 to 25 June 2014.

NEIL BIDDLE

Executive Director, Consultant Geologist

BAppSc (Geology), MAusIMM

Experience and expertise

Mr. Neil Biddle is a geologist and Corporate Member of the Australasian Institute of Mining and Metallurgy. He has over 30 years professional and management experience in the exploration and mining industry and since 1987 has served on the Board of several ASX listed companies. Mr. Biddle was Managing Director of TNG Ltd from 1998-2007, Border Gold NL from 1994-1998 and Consolidated Victorian Mines 1991-1994.

Other current directorships

Mr. Biddle is not currently a director of any other public listed company

Former directorships in the last three years

Arunta Resources Limited 4 April 2013 to 8 April 2015

ROBERT ADAMSON

Non-Executive Director, Consultant Geologist

BSc, MSc (Hons), MAusIMM, CP(Geo), MAIMVA (CMV), MMICA

Experience and expertise

Mr. Robert (Bob) Adamson's professional career spans some 49 years, (1966-present). The first 25 of which, he was employed with several international mining houses, and in managerial and board positions with listed exploration and mining companies in Australia and overseas. Mr. Adamson has been an independent mineral industry consultant since 1993. He has an extensive background in mineral exploration and mining for gold, base metals, diamonds and semi-precious stones, principally in Australia, southern Africa, New Zealand, South Korea, Canada and the Philippines. Significant achievements include technical and managerial participation in the discovery and resource definition of several operating gold and base metal mines. Mr. Adamson has most recently served as the Group's consultant geologist and manages the exploration program for the Group's tenements in the West Pilbara, Western Australia.

Other current directorships

Mr. Adamson is not currently a director of any other public listed company

Former directorships in the last three years

None

INFORMATION ON DIRECTORS (continued)

JOHN YOUNG

Executive Director

BAppSc Geology, Grad Dip.- Technology Management; MAus.IMM.

Experience and expertise

Mr. John Young is a highly experienced geologist having being engaged on exploration and production projects encompassing gold, uranium and specialty metals. From 2002 to 2006, Mr. Young was Exploration Manager for Haddington Resources Limited and was responsible for resource exploration and resource definition for their Bald Hill Tantalum mine. Mr. Young's corporate experience has included appointments as CEO of Marenica Energy Limited and CEO and director of Thor Mining PLC. Mr. Young has been responsible for exploration and evaluation for both the Tabba Tabba and Pilgangoora projects since their acquisition by the Company, and his skills and experience will be invaluable to the Board as the Company moves into production at Tabba Tabba and further develops its world class Pilgangoora Lithium/Tantalum project.

Other current directorships

Mosman Oil & Gas Limited since 6 April 2011

Former directorships in the last three years

None

3. INFORMATION ON COMPANY SECRETARY

ALAN BOYS (appointed 23 October 2014)

B. Com, CA

Mr. Alan Boys is a Chartered Accountant whom initially spent some 17 years in professional accounting services firms, retiring from public practice as a partner of PricewaterhouseCoopers at the end of 1998. For the past 16 years Mr. Boys has been involved in providing financial advisory and investment banking services, accounting and secretarial services to ASX listed and unlisted public companies, as well as public company director appointments.

ZANE LEWIS (resigned 31 October 2014)

Company Secretary

BEC

Mr. Zane Lewis has held company secretarial roles for publicly listed companies within the mining and exploration industry and has over 25 years relevant industry experience. Mr. Lewis has been responsible for the corporate, treasury, finance, accounting and administration functions for these companies.

4. INTEREST IN THE SHARES AND OPTIONS OF THE GROUP

The following relevant interests in shares and options of the company or a related body corporate were held by the Directors as at the date of this report.

	Share holding	Option holding	Convertible note holding
Tony Leibowitz	21,727,168	8,166,666¹	200,000²
Neil Biddle	32,938,597	11,333,333³	100,000⁴
Robert Adamson	3,937,851	2,000,000⁵	-
John Young	16,158,356	-	-
Total	74,761,972	21,499,999	300,000

Note 1: 1,666,666 25 March 2017 options with a strike price of \$0.03; 2,500,000 2 March 2017 options with a strike price of \$0.05 and 4,000,000 22 March 2017 options with a strike price of \$0.10.

Note 2: 200,000 secured convertible notes with a face value of \$1 each with a termination date of 2 March 2017.

Note 3: 3,333,333 25 March 2017 options with a strike price of \$0.03 and 8,000,000 22 March 2017 options with a strike price of \$0.10.

Note 4: 100,000 unsecured convertible notes with a face value of \$1 each with a termination date of 30 November 2015.

Note 5: 2,000,000 22 March 2017 options with a strike price of \$0.10.

5. DIVIDENDS

No dividends have been paid or declared since the start of the financial year and/or the directors do not recommend the payment of a dividend in respect of the financial year.

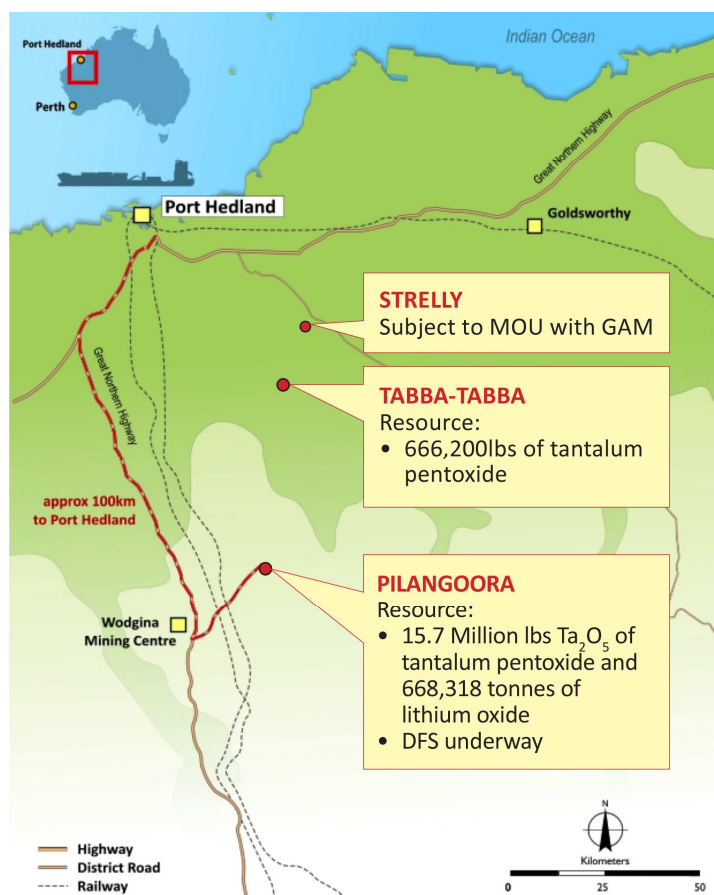
6. PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the exploration for natural resources.

7. REVIEW OF OPERATIONS

During the year the Company continued the rapid development of its two substantial near-production projects located within 100kms of Port Hedland in the Pilbara region of Western Australia.

The Tabba Tabba tantalum project is expected to commence production in November 2015, with ongoing exploration at its Pilgangoora lithium- tantalum project planned for possible production in 2017.



Project locations and resource estimates

TABBA TABBA PROJECT

In 2014, the Company entered into a joint venture with Valdrew Nominees Pty Ltd to jointly evaluate, develop and mine the advanced Tabba Tabba tantalum project located some 75 kms by road from Port Hedland, Western Australia.

The Tabba Tabba tantalum project was held by Incorporated Joint Venture Tabba Tabba Tantalum Pty Ltd (formerly Nagrom Mining Pty Ltd) during the reporting period held as 50% Valdrew Nominees Pty Ltd and 50% Pilbara Minerals Limited.

The project is being undertaken under a mining and offtake agreement with the tenement owner Global Advanced Metals (Wodgina) Pty Ltd, a subsidiary of major international specialty metals group Global Advanced Metals. This agreement provides a five-year fixed price offtake agreement for the Tabba Tabba project's tantalite concentrate.

Tantalum is a strategically important mineral with about half the world's production used in electronic projects such as tablets, smart phones, digital cameras and electronic systems for vehicles. Tantalum is also an additive in nickel-based superalloys used to make turbine blades for the aerospace industry and land-based gas turbines.

7. REVIEW OF OPERATIONS (continued)

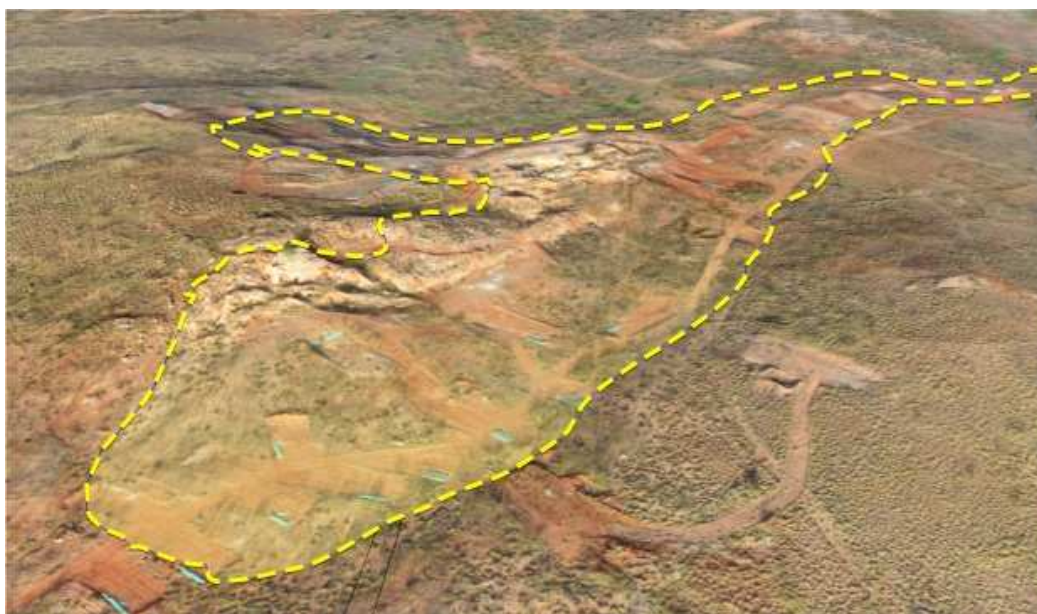
Exploration and Evaluation

Following a drilling program undertaken in mid-2014, in January 2015, the Company released an updated 2012 JORC Compliant Mineral Resource Estimate. This upgrade resulted in a Measured, Indicated and Inferred Mineral Resource estimate of 318.1 kt @ 950ppm: resulting in a combined 666,200 lb Ta₂O₅.

A resource statement at the date of this report is included in Section 8.

Mine Development & Permitting

A number of significant delays were experienced in securing approvals for mining at Tabbatabba to proceed. Approvals required from the Departments of Minerals and Energy and Environmental regulation include, Works Approval, Mine Plan Approval, Mine Closure Plan Approval and Operating Permit. Approvals were received for the Works plan, Mining Plan and Mine Closure Plan in July 2015, which enabled the Company to commence site works and mine development. As at the date of this report, the final approval being the Operating Permit was outstanding but is expected to be in place shortly, sufficient to meet the planned production commencement date of late October 2015.



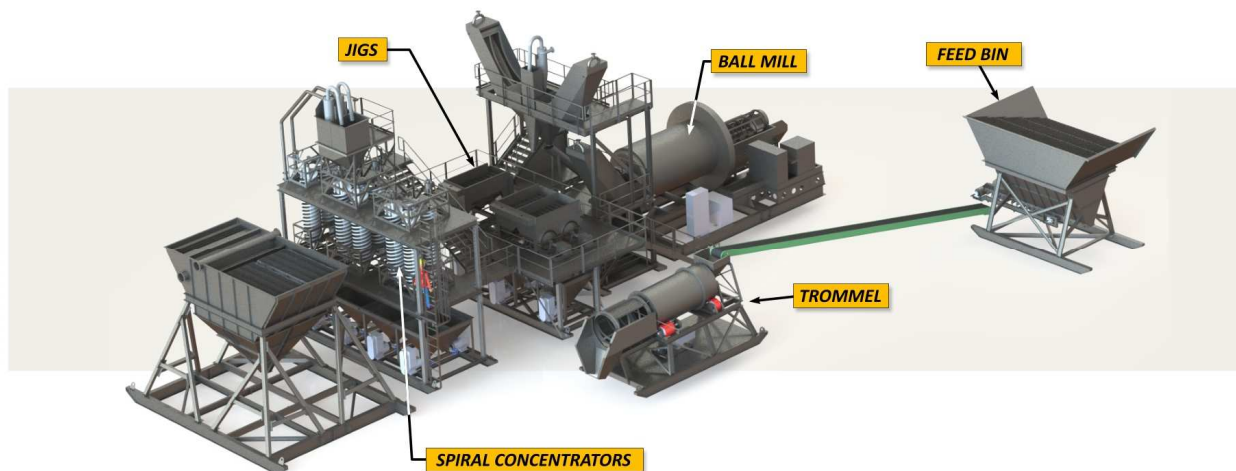
Tabbatabba pit outline

Plant & Infrastructure

The plant is of modular design and breaks down into 13 sections which can be transported on regular escorted trucks. In May 2015 major plant components were trucked to site in readiness for assembly and commissioning. At the date of this report, all plant components have been completed and installation of the plant is well under way with commissioning due to commence in early October 2015.

The supporting infrastructure including the mining camp is in place and construction of the tailings storage facility is nearing completion.

7. REVIEW OF OPERATIONS (continued)



Tabba Tabba modular processing plant design



Tabba Tabba plant under construction September 2015

Since the end of the reporting period, the Company has acquired 100% of Tabba Tabba Tantalum Pty Ltd (formerly Nagrom Mining Pty Ltd) and settled its purchase of the 50% interest previously held by Valdrew Nominees Pty Ltd on 25 September 2015.

The terms of the purchase were payment of cash of \$2,000,000 with a further \$1,300,000 being payable upon the delivery of tantalite concentrate to Global Advance Metals in accordance with the mining and processing agreement. All loans, advances and well as any amounts due to the vendor for past services from the Company have been released. In addition the vendor is entitled to up to 20,000,000 options being of a term of two years from the respective dates of issue at a strike price equivalent to the 5 day vwap immediately prior to the date of issue upon achieving certain milestones.

7. REVIEW OF OPERATIONS (continued)

These milestones include:

- 10,000,000 options upon the commissioned processing plant achieving 95% of designed throughput at an 82% recovery of Ta_2O_5 for a seven day period;
- 1,000,000 incentive options after the end of each quarter where the plant achieved budgeted performance and
- 5,000,000 options where Tabba Tabba Tantalum Pty Ltd enters into a binding mining and processing agreement with Global Advanced Metals for their Strelly project.



Tabba Tabba installation of liner for tailings storage facility September 2015

PILGANGOORA PROJECT (100% Pilbara Minerals Limited)

The Pilgangoora lithium-tantalum project is located about 25km north-east of the world-class Wodgina tantalum mine owned by Global Advanced Metals Wodgina Ltd and 82km SSE of Port Hedland. Pilgangoora has had several phases of tin-tantalite alluvial and eluvial placer mining which has occurred intermittently from 1947 until 1992.

Since acquiring the Pilgangoora in July 2014, the Company has made significant progress in increasing the size of the resource as well as assessing and developing a greater understanding of the metallurgy of the deposit.

Lithium is a soft silvery white metal and has the highest electrochemical potential of all metals. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of beneficial properties 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 electric bikes, motor vehicles, buses, trucks and taxis.

Field Exploration

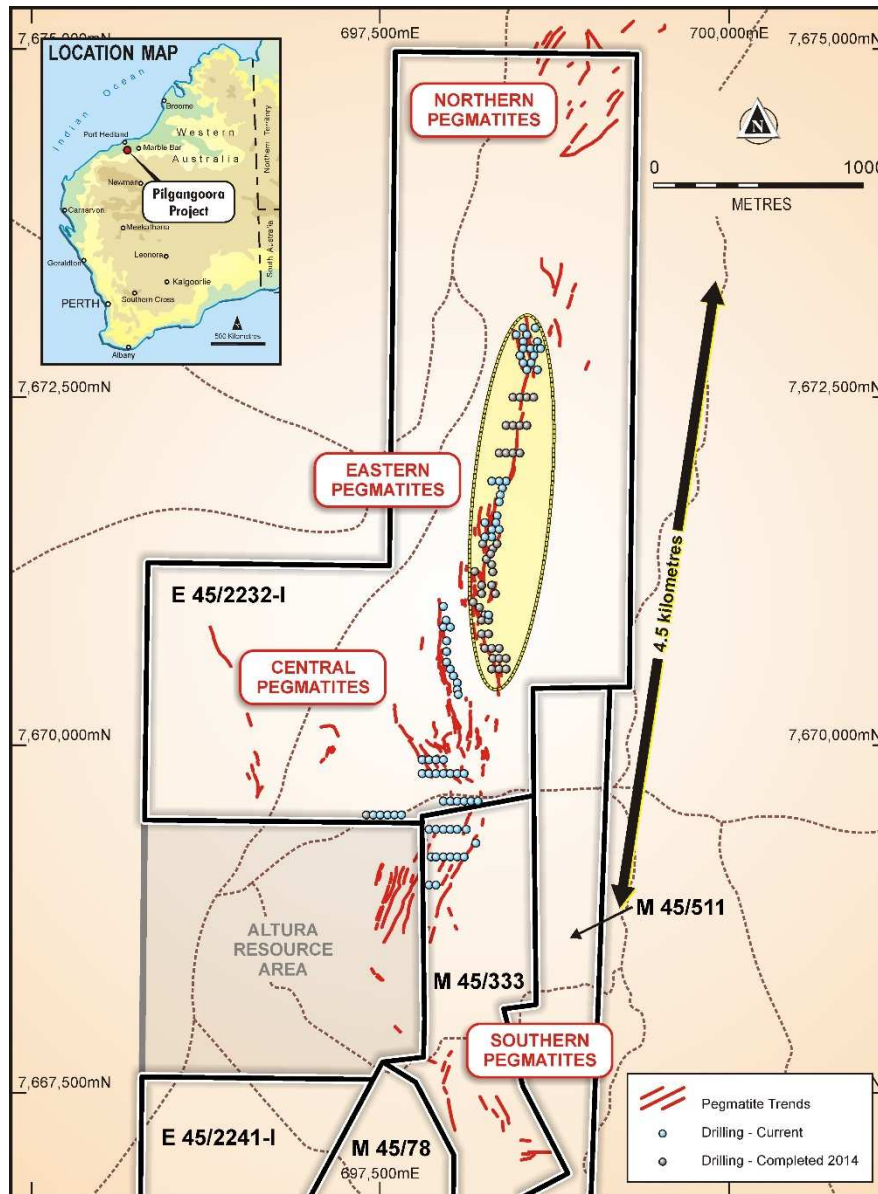
During the year the Company has carried out extensive drilling at Pilgangoora, which is continuing into the 2015/16 financial year. Some 142 holes and 13,589 metres of drilling were completed during the year. During the year two updated JORC 2012 mineral resource estimates were released, which has been further updated on 24 September 2015.

This estimation was carried out by independent resource consultancy, Trepanier Pty Ltd resulting in the estimation of Inferred and Indicated Resources of 52.2 mt @ 1.3% Li_2O containing 668,000 tonnes of Li_2O and including 39.2mt of Ta_2O_5 @0.022% containing 15.7m lbs of Ta_2O_5 .

7. REVIEW OF OPERATIONS (continued)

A resource statement for the Pilgangoora project at the date of this report is included in Section 8.

The project comprises two exploration license (E45/2232 and E45/2242) and three Mining Leases (M45/78, M45/333 and M45/511). The mineral occurrence is within pegmatites within four identified zones within the mining tenements as set out in the following diagram:



Pilgangoora tenements, drilling locations and pegmatite occurrences.

Metallurgy

ANZAPLAN

During the year the Company received results from a test work program undertaken by independent industrial and strategic minerals specialists ANZAPLAN, which confirmed the ability to produce a high-grade spodumene concentrate with low impurities from Pilgangoora material, suitable for use in high-value glass and ceramic applications.

This is an important outcome for the Pilgangoora Project given that 35% of lithium minerals and compounds globally are used in the production of glass and ceramics, with their use in rechargeable lithium batteries representing a relatively new (albeit widely publicised) growth area.

7. REVIEW OF OPERATIONS (continued)

Pilbara commissioned ANZAPLAN to undertake initial testwork focusing on simple flotation and magnetic separation of Pilgangoora material to produce spodumene concentrate from a 100kg bulk sample.

The bulk sample was ground to <0.3mm and de-slimed at 20µm to produce a fraction in the 20 – 300µm size bracket for further processing. Material of this size was purified by mica and heavy mineral flotation, conditioned at high solids content (scrubbing) and de-sliming.

Following purification, spodumene flotation was tested including variation of flotation conditions (collectors) to produce a high-grade spodumene concentrate. Finally, the flotation concentrate was further purified by magnetic separation.

Final product was screened into a glass sand fraction of 0.1 – 0.3mm and a fine fraction of 20 – 100µm. After a purification process and spodumene flotation, a spodumene concentrate with lithium oxide content of 5.4 wt.-% Li₂O (67 wt.-% spodumene) and an iron oxide content of 0.37 wt.-% was achieved.

The lithium oxide content of the spodumene concentrate after flotation is within the typical product specifications in the market, which range between 5 wt.-% Li₂O and up to 7.5 wt.-% Li₂O. For the use of spodumene in glass and ceramics industry iron content is the most important quality parameter. The iron oxide content of typical products in the market ranges between 0.06 wt.-% and 0.17 wt.-% of iron oxide.

After further purification of the Pilgangoora flotation concentrate by magnetic separation, the iron oxide content was reduced to 0.11 wt.-%, which would meet the specifications of typical glass-grade spodumene products.

Finally the spodumene product after magnetic separation was screened into a 100 – 300µm size fraction, which is a particle size distribution being typical in glass applications, and a fine fraction of 20 – 100µm (suitable for ceramics).

The glass sand fraction (100 – 300µm) is enriched in lithium (6.5 wt.-% Li₂O, corresponding to 81 wt.-% spodumene), the iron oxide (0.09 wt.-%) is reduced compared to the feed fraction and vice versa in the fine fraction. Therefore, the purification, flotation and magnetic separation process is more selective at a coarse particle size.

In the glass sand fraction, iron oxide is at the lower end of the range of typical products (0.06 – 0.17wt.-%) and the Li₂O content at the upper end (5.0 – 7.5wt.-%). This indicates that spodumene with low iron content is present in the sample, offering high potential for producing glass-grade spodumene products.

Building on the results of the recent test work, ANZAPLAN has recommended that a more detailed testwork plan be undertaken using diamond drill core samples, which are expected to be available in the near future.

Nagrom & Co.

Pilbara has successfully completed an investigative metallurgical testwork program on a sample of tantalum-lithium (spodumene) ore from its Pilgangoora deposit. The aim of the program, which was conducted at Nagrom Pty Ltd's facilities in Perth, was to test the amenability of the ore to upgrade the spodumene via gravity, flotation and magnetism and to test the possibility of recovering tantalum-bearing minerals as a by-product.

Preliminary spodumene flotation testwork on a wet table gravity concentrate has demonstrated a favourable upgrade in Li₂O will high flotation yield, as summarised below:

Stream	Li₂O %	Li₂O % Yield
Flotation Feed	3.2	100
Flotation Concentrate	5.8	82

Subsequent magnetic characterisation test work on the flotation concentrate has removed 71% of the iron from the concentrate. Future metallurgical test work will focus on determining the optimum particle liberation size, flotation regime and magnetic characterisation to maximise Li₂O grade and recovery.

Simple wet tabling test and magnetic characterisation work has demonstrated that the tantalum is highly amenable to gravity and magnetic separation techniques, producing close to a thousand times upgrade of Ta₂O₅ to the concentrate, as summarised below:

7. REVIEW OF OPERATIONS (continued)

Stream	Ta₂O₅ %	Ta₂O₅ % Yield
Concentrate	21.8	49
Middling	0.4	9
Tailing	0.01	42
Calculated Head	0.03	100

Future studies using a larger feed mass will be undertaken to better understand the upgrade potential of the tantalum-bearing minerals in a gravity, re-grind, magnetics and dressing circuit. This will help to consolidate the economic potential of tantalum as a by-product.

Pilbara is also investigating technologies for conversion of spodumene to lithium hydroxide and lithium carbonate for use in batteries, pharmaceuticals, lithium greases and as fluxing agents in production of aluminium and polymers. Discussions are underway with a number of parties and representative samples of spodumene concentrate are being prepared by Nagrom for testing by at least two technology providers.

Marketing

Since the end of the reporting period, Pilbara has signed four non-binding MOU's for the future supply of spodumene concentrate from the Pilgangoora Project with leading producers of lithium carbonate, two in China, one in Japan and one based in North America, which would cover the estimated initial production at Pilgangoora.

Under the MOU's, the parties have agreed to commence discussions on a non-exclusive, confidential basis to negotiate an off-take agreement covering the supply of spodumene concentrates, commencing in 2017. As part of this process, the parties have agreed to provide all relevant information, data and materials required to undertake this evaluation.

The parties will seek to negotiate an off-take agreement in good faith. The volume of various grades required and the prices will be negotiated on an annual basis based on global market prices, with a floor price and a cap price to be agreed for the first year of supply.

Further Pilbara has entered into a non binding MOU for an exclusive distribution agreement with a major Chinese producer and distributor of spodumene to be Pilbara's exclusive distributor in China for low-iron spodumene concentrates for supply to the glass, ceramics foundry and metallurgical industries.

Pilbara is also investigating technologies for conversion of spodumene to lithium hydroxide and lithium carbonate for use in batteries, pharmaceuticals, lithium greases and as fluxing agents in production of aluminium and polymers. Discussions are underway with a number of parties and representative samples of spodumene concentrate are being prepared by Nagrom for testing by at least two technology providers.

WEST PILBARA JOINT VENTURE, WA (PILBARA MINERALS LIMITED 45%)

On 9 April 2013 the Company entered into a Farm-in and Joint venture agreement over tenements that comprised its West Pilbara Project with Fox Resources Limited ("Fox"). The agreement provided that Fox earned an initial 40% joint venture interest through an initial payment of \$150,000 and a further 40% to be earned over a period of up to 3 years for annual expenditure by Fox of \$565,000 for the first two years and \$839,000 in the final year.

Fox has farmed in to the extent of 55% of the joint venture, however has been suspended from the ASX since March 2015. In the light of Fox's suspension, the current state of market for exploration assets and the Group's desire to focus on its Tantalum and Lithium assets, the carrying value of the Group's interests in these tenement were treated as fully impaired in the reporting period.

8. MINERAL RESOURCE ESTIMATES

As at the date of this report, the following are the latest 2012 JORC compliant statements of resource estimations that have been released by the Company in respect of its Tabba Tabba and Pilgangoora projects.

Tabba Tabba

The reporting of all domains (capturing material above 400ppm Ta₂O₅) and using an upper cut grade of 6,000ppm Ta₂O₅, results in a Measured, Indicated and Inferred Mineral Resource estimate of:

8. MINERAL RESOURCE ESTIMATES (continued)

Measured:	35.1kT @ 1,380ppm Ta ₂ O ₅	(107,125 lb Ta ₂ O ₅)
Indicated:	187.0kT @ 1,020ppm Ta ₂ O ₅	(418,925 lb Ta ₂ O ₅)
Inferred:	96.0kT @ 660ppm Ta ₂ O ₅	(140,150 lb Ta ₂ O ₅)
<hr/>		
Combined:	318.1kT @ 950ppm Ta ₂ O ₅	(666,200 lb Ta ₂ O ₅)

The data utilised for the estimation process includes a drill-hole database of 154 holes plus surface geology mapping and current topographical survey data. The geological model was developed by PLS and their resource consultants using a constrained envelope that lies within the pegmatite only.

The envelope was wire-framed using both geological logging information (in particular logging of zoning within the pegmatite) and assay data for Ta₂O₅. The calculation was carried out by independent resource consultancy Trepanier Pty Ltd.

The full resource statement including annexures was released on 19 January 2015 and may be viewed at www.asx.com.au

Pilgangoora

This 2012 JORC compliant mineral resource for the Project incorporates all historical data and Pilbara's drilling programs to August 2015.

The estimation was carried out by independent resource consultancy, Trepanier Pty Ltd resulting in the estimation of Inferred and Indicated Resources. The reporting of all domains (capturing material above 0.01% Ta₂O₅) results in an Indicated and Inferred Mineral Resource estimate totalling:

- **52.2 million tonnes @ 1.28% Li₂O containing 668,000 tonnes of Li₂O**

Associated with this lithium resource, there is a corresponding tantalite resource of **32.9 million tonnes @ 0.022% Ta₂O₅ containing 15.7 million pounds of contained tantalite.**

Pilgangoora Project – Mineral Resource Estimate

Category		Tonnage (million tonnes)	Ta ₂ O ₅ (ppm)	Li ₂ O (%)	Ta ₂ O ₅ (tonnes)	Ta ₂ O ₅ (Mlbs)	Li ₂ O (T)
Indicated	Ta ₂ O ₅	10.9	229		2,495	5.5	
	Li ₂ O	7.8		1.29			100,000
Inferred	Ta ₂ O ₅	22.1	210		4,635	10.2	
	Li ₂ O	44.4		1.28			568,000
TOTAL	Ta ₂ O ₅	33.0	216		7,130	15.7	
	Li ₂ O	52.2		1.28			668,000

The envelope was wire-framed using both geological logging information (in particular logging of zoning within the pegmatite) and assay data for Ta₂O₅ and Li₂O. Note that there were insufficient samples analysed to allow Li₂O mineralisation to be populated into one of the 25 domains.

Of the 25 domains, five are significantly lower grade in Li₂O and are excluded from the Li₂O resource and six are significantly lower grade in Ta₂O₅ and are excluded from the Ta₂O₅ resource – hence the different tonnage reported above for the Li₂O and Ta₂O₅ resource.

The full resource statement including annexures was released on 24 September 2015 and may be viewed at www.asx.com.au

8. MINERAL RESOURCE ESTIMATES (continued)

Competent Person's Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr John Young (Exploration Director of Pilbara Minerals Limited). Mr Young is a shareholder of Pilbara Minerals. Mr Young is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Young consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr John Young (Exploration Director of Pilbara Minerals Limited). Mr Young is a shareholder of Pilbara Minerals. Mr Barnes and Mr Young are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Young is the Competent Person for the database, geological model and completed the site inspection. Mr Barnes is the Competent Person for the database and the resource estimation. Mr Barnes and Mr Young consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

9. FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The loss of the consolidated group after providing for income tax for the year ended 30 June 2015 amounted to \$5,512,508 (2014: \$3,187,308).

The Group has \$3,216,169 (2014: \$1,094,553) in cash assets at 30 June 2015.

10. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 1 July 2015, the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 7 July 2015, the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 14 July 2015, the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 23 July 2015, the Company undertook a placement via the issue of 22,727,274 fully paid ordinary shares at \$0.11 cents per share. The placement was made to institutional investors. The shares were issued with free attaching options, on the basis of 3 options for every 4 shares issued. The options have an exercise price of \$0.15 per option and an expiry date of 2 years from the date of issue. The issue of options is subject to shareholder approval and are yet to be issued.

On 24 July 2015, the Company issued 375,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 4 August 2015, the Company issued 1,275,054 fully paid ordinary shares at \$0.097168 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 4 August 2015, the Company issued 708,147 fully paid ordinary shares at \$0.087555 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 2 September 2015, the Company issued 4,000,000 secured convertible notes at \$1.00 per convertible note, pursuant to approval by shareholders at a General Meeting held on 28 August 2015.

12 SIGNIFICANT EVENTS AFTER BALANCE DATE (continued)

On 2 September 2015, the Company issued 56,400,000 share options with an exercise price of \$0.05 and expiry date of 2 March 2017, pursuant to approval by shareholders at a General Meeting held on 28 August 2015.

On 4 September 2015, Mr. John Young was appointed as Executive Director. Prior to this, he was the Company's Exploration Manager.

On 8 September 2015, the Company issued 4,553,770 fully paid ordinary shares at \$0.096839 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 8 September 2015, the Company issued 2,550,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 14 September 2015, the Company issued 3,400,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 16 September 2015, the Company issued 928,826 fully paid ordinary shares at \$0.1363361 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 16 September 2015, the Company issued 1,845,080 fully paid ordinary shares at \$0.1372058 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 18 September 2015, the Company issued 744,800 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 22 September 2015, the Company issued 29,500,000 unlisted options with an expiry date of 22 March 2017 and an exercise price at \$0.10 cents per share. The options were issued to directors, consultants and employees. The issue of the options to directors was approved by shareholders at a general meeting of the company on 28 August 2015.

On 23 September 2015, the Company announced that it had entered into binding agreements for the acquisition of the 50% interest it did hold in its incorporated joint venture Tabba Tabba Tantalum Pty Ltd (formerly Nagrom Mining Pty Ltd). The consideration for the purchase is an initial cash payment of \$2,000,000 plus a further payment of \$1,300,000 subject to the delivery by Tabba Tabba Tantalum Pty Ltd of tantalum concentrate in accordance with the terms of the Minerals and processing agreement held by the Company With Global Advanced Metals Wodgina Pty Ltd. Further the vendor of the 50% interest, Valdrew Nominees Pty Ltd, is to stand aside from any loans, advances or claims for payment in respect of past purchases due from Tabba Tabba Tantalum Pty Ltd. In addition, the Company agreed to the issue of up to 20,000,000 incentive options based on the achievement certain events. Such options will be unlisted, have a term of two years from the date of issue and a strike price of the 5 day vwap immediately prior to the date of issue.

On 24 September 2015, the Company announced a significant upgrade in its Resource estimate for the Pilgangoora Lithium/Tantalum project details of which are included in the Directors' Report.

On 24 September 2015, the Company issued 1,600,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 25 September 2015, the Company announced that it had completed the acquisition of the 50% interest of Tabba Tabba Tantalum Pty Ltd in accordance with the terms announced on 23 September 2015 and that Tabba Tabba Tantalum Pty Ltd was now a wholly owned subsidiary of the Company.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

12. ENVIRONMENTAL LEGISLATION

The Group is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The directors are not aware of any significant breaches of these requirements during the period.

13. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

16 OPTIONS

During the year 31,679,997 ordinary shares were issued by the Company upon the exercise of options. Since the end of the financial year a further 85,900,000 options have been issued and 11,619,000 ordinary shares were issued as a result of the exercise of options. Details of options and their exercise prices are set out in Note 18.

There are no unpaid amounts on the shares issued.

At the date of this report unissued ordinary shares of the Company under option are 115,750,194 options issued as per the table below:

Grant Date	Number of options on issue	Exercise Price	Expiry Date
23 March 2014 and 30 May 2014	28,719,994	\$0.03	25 March 2017
22 June 2015	6,875,000	\$0.05	22 December 2016
2 September 2015	50,655,200	\$0.05	2 March 2017
22 September 2015	29,500,000	\$0.10	22 March 2017
Total	115,750,194		

17 REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required under Section 308(3C) of the Corporations Act 2001.

This report details the nature and amount of remuneration for each Key Management Personnel ("KMP") of the Group.

For the purposes of this report, a KMP of the Group is defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the parent company.

The names and positions of the KMP of the company and the Group during the financial year were:

Directors	Position	Duration of Appointment
Mr. Tony Leibowitz	Non-Executive Chairman	Appointed 11 June 2014
Mr. Neil Biddle	Executive Director	Appointed 30 May 2014
Mr. Robert Adamson	Non-Executive Director	Appointed 1 July 2010
Mr. John Young	Executive Director and Exploration Manager	Appointed Alternate Director for Neil Biddle 8 July 2015, appointed Director 4 September 2015
Mr. Alan Boys	Company Secretary & CFO	Appointed 23 October 2014

17 REMUNERATION REPORT (AUDITED) (continued)

Remuneration Policy

The nature and amount of remuneration for the Non-executive Directors and executives depends on the nature of the role and market rates for the position, with the assistance of external surveys and reports, taking into account the experience and qualifications of each individual. The Board ensures that the remuneration of KMP is competitive and reasonable. Fees and payments to the Non-executive Directors reflect the demands which are made on, and the responsibilities of the Non-executive Directors. Non-executive Director's fees and payments are reviewed annually by the Board.

In undertaking a review of the performance of both directors and executives, consideration is given to the respective performance of person during the review period, however there are no prescribed performance measures or hurdles connected with the level of remuneration.

The Group has not engaged the services of external remuneration consultants to advise them on Director and executive remuneration policy. At the Company's 2014 Annual General Meeting, the Remuneration Report was passed by way of show of hands and no comment was made on this matter by any attendees.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Senior Management team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Employment Contracts of KMP

The directors do not have formal contracts as at the completion of the 30 June 2015 financial year. The directors are paid director's fees under the terms agreed to by a directors' resolution. By way of a directors' resolution dated 23 December 2013, it was resolved that with effect from 1 July 2013, the current remuneration of directors be at the rate of \$36,000 per annum.

The terms during the past year and as at the date of this report are set out as follows:

Name	Position	Annual Remuneration From 1/7/2014
Mr. Tony Leibowitz	Non-executive Chairman	\$36,000
Mr Neil Biddle	Executive Director	\$36,000
Mr Robert Adamson	Non-executive Director	\$36,000
Mr. John Young	Executive Director	\$36,000 ¹

Note 1: From date of appointment as director being 4 September 2015

Where the payment is made to the individual director, the payment of statutory employment entitlements (such as superannuation guarantee levy) is in addition to the above amounts.

The directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$250,000, which was approved by shareholders at the Annual General Meeting on 21 November 2008.

The Company has engaged the services of related parties of Messers Leibowitz and Biddle to provide consulting services at commercial rates which are detailed in the following table. No formal contracts are held for these services and may be terminated without notice.

Mr. Young through his related party, Metallon Resources Pty Ltd, provides consulting services to the Company under a contract dated 29 August 2012. At the reporting date the contract provides for the payment of a fee of \$15,000 per month (excluding GST) and a prior period of notice of termination of three months by either party.

The Company Secretary, Mr Alan Boys, is an employee of Dubois Group Pty Ltd, which provides the services of Mr Boys and other of its staff to undertake accounting and secretarial roles for the Group. The contract with Dubois Group Pty Ltd provides for the payment of a fee of \$11,000 per month (excluding GST) with effect from 1 March 2015 and a prior period of notice of termination of three month by either party for termination.

PILBARA MINERALS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

17 REMUNERATION REPORT (AUDITED) (continued)

Remuneration of KMP

Details of the remuneration provided to the KMP of the Group are set out in the following tables.

KMP of the Group 2015

	Short-term employee benefits		Post-employment benefits		Equity	Total	Performance Related
	Salary and fees	Consulting Fees	Super-annuation	Prescribed Benefits	Options		
DIRECTORS	\$	\$	\$	\$	\$	\$	%
Tony Leibowitz	36,000	138,000	-	-	-	174,000	-
Neil Biddle	36,000	240,420	-	-	-	276,420	-
Robert Adamson	36,000	-	-	-	-	36,000	-
TOTAL	108,000	378,420	-	-	-	486,420	-
OTHERS							
John Young	-	168,400	-	-	-	168,400	-
Alan Boys ¹	-	77,750	-	-	-	77,750	-
TOTAL	-	246,150	-	-	-	246,150	-

Note1: Payments relating to Alan Boys were made to Dubois Group Pty Ltd of which he is an employee.

KMP of the Group 2014

	Short-term employee benefits		Post-employment benefits		Equity	Total	Performance Related
	Salary and fees	Consulting Fees	Super-annuation	Prescribed Benefits	Options		
DIRECTORS	\$	\$	\$	\$	\$		
Tony Leibowitz	36,000	59,400	-	-	-	95,400	-
Neil Biddle	36,000	69,200	-	-	-	105,200	-
Robert Adamson	36,000	-	-	-	-	36,000	-
Gavan Farley	15,000	16,350	-	-	-	31,350	-
Robert Waring	-	32,015	-	-	-	32,015	-
TOTAL	123,000	176,965	-	-	-	299,965	-
OTHERS							
John Young	-	82,150	-	-	-	82,150	-
TOTAL	-	82,150	-	-	-	82,150	-

SHARE-BASED COMPENSATION

The Company did not provide any share-based remuneration for its KMP during the year (2014: Nil).

PILBARA MINERALS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

17 REMUNERATION REPORT (AUDITED) (continued)

Interests in the shares and options of the Group

The following relevant interests in shares and options of the Company or a related body corporate were held by the KMP as at 30 June 2015.

KMP shareholdings

The number of shares held by each KMP of the Company during the financial year is as follows:

30 June 2015	Balance at beginning of the year	Balance at appointment	Granted as remuneration	Options exercised	Shares acquired / (disposed) during the year	Balance at end of the year
Tony Leibowitz	15,756,601	-	-	-	5,970,567	21,727,168
Neil Biddle	32,137,506	-	-	-	801,091	32,938,597
Robert Adamson	2,684,335	-	-	-	1,253,516	3,937,851
John Young	16,658,356	-	-	-	3,500,000	20,158,356
Alan Boys	-	750,000	-	-	500,000	1,250,000
Total	67,236,798	750,000	-	-	12,025,174	80,011,972

30 June 2014	Balance at beginning of the year	Balance at appointment	Granted as remuneration	Options exercised	Shares acquired / (disposed) during the year	Balance at end of the year
Tony Leibowitz	5,010,000	-	-	-	10,746,601	15,756,601
Neil Biddle	17,348,905	-	-	-	14,788,601	32,137,506
Robert Adamson	290,000	-	-	-	2,394,335	2,684,335
John Young	-	-	-	-	16,658,356	16,658,356
Gavan Farley ¹	185,000	-	-	-	-	185,000 ¹
Robert Waring ²	975,728	-	-	-	-	975,728 ²
Total	23,809,633	-	-	-	44,587,893	68,397,526

^{1.} Balance at resignation as a Director on 29 November 2013

^{2.} Balance at resignation as Company Secretary on 31 October 2013

KMP option holding

The number of options over ordinary shares held by each KMP of the company during the financial year is as follows:

30 June 2015	Balance at beginning of the year	Balance at appointment	Granted as remuneration	Options exercised	Options acquired / (expired) during the year	Balance at end of the year
Expiry 25/3/2017						
Strike price 3c						
Tony Leibowitz	1,666,666	-	-	-	-	1,666,666
Neil Biddle	3,333,333	-	-	-	-	3,333,333
Robert Adamson	-	-	-	-	-	-
John Young	-	-	-	-	-	-
Alan Boys	-	-	-	-	-	-
Total	4,999,999	-	-	-	-	4,999,999
30 June 2014	Balance at beginning of the year	Balance at appointment	Granted as remuneration	Options exercised	Options acquired / (expired) during the year	Balance at end of the year
Tony Leibowitz	-	-	-	-	1,666,666	1,666,666
Neil Biddle	-	-	-	-	3,333,333	3,333,333
Robert Adamson	250,000	-	-	-	(250,000)	-
Gavan Farley ¹	250,000	-	-	-	(250,000)	-
John Young	-	-	-	-	-	-
Robert Waring ²	250,000	-	-	-	(250,000)	-
Total	750,000	-	-	-	4,249,999	4,999,999

^{1.} Balance at resignation as a Director on 29 November 2013

^{2.} Balance at resignation as Company Secretary on 31 October 2013

END OF REMUNERATION REPORT

18. DIRECTOR'S MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
<i>Directors</i>		
Tony Leibowitz	4	4
Neil Biddle	4	4
Robert Adamson	4	4

19 AUDITOR INDEPENDENCE

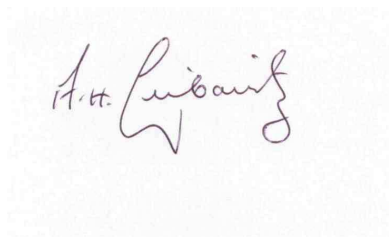
Section 307C of the Corporations Act 2001 requires our auditors, Simes Cooke, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 22 and forms part of this Directors' report for the year ended 30 June 2015.

20 NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

During the year, the auditors did not provide any non-audit services to the Group.

Signed in accordance with a resolution of the Directors.



Tony Leibowitz
Chairman

Dated this 30th day of September 2015

Auditor's Independence Declaration

To those charged with governance of Pilbara Minerals Limited

As auditor for the audit of Pilbara Minerals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

SOMES COOKE

Nicholas Hollens

Nicholas Hollens
Partner

Perth

30 September 2015

PILBARA MINERALS LIMITED
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue			
Other income	4	73,239	348,675
Total revenue		73,239	348,675
Audit and assurance fees		(27,885)	(27,500)
Consulting fees		(538,743)	(228,908)
Directors fees		(108,000)	(123,000)
Impairment expense	11	(1,980,346)	(2,641,931)
Professional and legal fees		(69,550)	(70,947)
Share registry expenses		(80,097)	(27,205)
Marketing		(126,033)	(27,529)
Borrowing Costs	16	(243,982)	(150,773)
Depreciation		(21,257)	-
Revaluation loss on derivative portion of convertible notes		(89,760)	-
Share based payments expense	19	(1,955,000)	-
Other expenses		(396,750)	(238,190)
Loss before income tax		(5,564,164)	(3,187,308)
Income tax benefit	5	51,656	-
Loss for the year after income tax		(5,512,508)	(3,187,308)
Other Comprehensive income			
Exchange differences on translation of foreign controlled entities		-	(68,073)
Other Comprehensive income for the period, net of tax		-	(68,073)
Total Comprehensive income for the year attributable to:			
Owners of the Company		(5,512,508)	(3,255,381)
Earnings per share (cents per share)			
Basic loss per share for the year attributable to ordinary equity holders of the Company	20	(0.94)	(1.15)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

PILBARA MINERALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Assets			
Current Assets			
Cash and cash equivalents	7	3,216,169	1,094,553
Trade and other receivables	8	918,766	337,015
Loans receivable	9	1,627,045	-
Total Current Assets		5,761,980	1,431,568
Non-Current Assets			
Plant and equipment	10	77,008	4,095
Deferred exploration and evaluation expenditure	11	1,806,424	3,070,111
Investments accounted for using the equity method	22	1,200,000	-
Other financial assets	12	6,000	206,000
Total Non-Current Assets		3,089,432	3,280,206
Total Assets		8,851,412	4,711,774
Liabilities			
Current Liabilities			
Trade and other payables	13	742,954	220,211
Provisions	14	41,623	-
Share application monies received in advance	15	1,000	725,000
Borrowings	16	2,621,760	1,385,741
Total Current Liabilities		3,407,337	2,330,952
Total Liabilities		3,407,337	2,330,952
Net Assets		5,444,075	2,380,822
Equity			
Contributed Equity	17	23,579,553	16,098,582
Reserves	18	1,257,483	162,693
Accumulated Losses		(19,392,961)	(13,880,453)
Total Equity		5,444,075	2,380,822

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

PILBARA MINERALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Notes	Contributed Equity \$	Options Reserve \$	Foreign Currency Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 30 June 2013		14,752,182	24,753	-	(10,717,898)	4,059,037
Loss for the year		-	-	-	(3,187,308)	(3,187,308)
Other comprehensive income		-	-	(68,073)	-	(68,073)
Total comprehensive income for the year		-	-	(68,073)	(3,187,308)	(3,255,381)
Transactions with owners in their capacity as owners:						
Issued shares	17	1,369,121	-	-	-	1,369,121
Share issue transaction costs	17	(22,721)	-	-	-	(22,721)
Issue of options	18	-	230,766	-	-	230,766
Lapse of options	18	-	(24,753)	-	24,753	-
Total transactions with owners in their capacity as owners		1,346,400	206,013	-	24,753	1,577,166
Balance at 30 June 2014		16,098,582	230,766	(68,073)	(13,880,453)	2,380,822
Loss for the year		-	-	-	(5,512,508)	(5,512,508)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	(5,512,508)	(5,512,508)
Transactions with owners in their capacity as owners:						
Issued shares	17	7,734,921	-	-	-	7,734,921
Share issue transaction costs	17	(253,950)	-	-	-	(253,950)
Issue of options	18	-	2,148,950	-	-	2,148,950
Conversion of options	18	-	(1,054,160)	-	-	(1,054,160)
Total transactions with owners in their capacity as owners		7,480,971	1,094,790	-	-	8,575,761
Balance at 30 June 2015		23,579,553	1,325,556	(68,073)	(19,392,961)	5,444,075

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

PILBARA MINERALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,551,157)	(934,639)
Interest received		45,283	5,065
Other receipts		23,400	14,643
Net cash used in operating activities	7	(1,482,474)	(914,931)
Cash flows from investing activities			
Payments for security deposits		(5,000)	-
Payments for exploration and evaluation		(465,397)	(1,634,158)
Payments for acquisition of Tabba Tabba Tantalum Pty Ltd		(1,000,000)	-
Payments for plant and equipment		(94,169)	-
Loan to Nagrom Mining Pty Ltd		(1,627,045)	-
Net cash provided by/(used in) investing activities		(3,191,611)	(1,634,158)
Cash flows from financing activities			
Proceeds from the issue of shares	17	5,155,701	1,188,000
Share issue transaction costs		(60,000)	(10,016)
Proceeds from borrowings	16	1,700,000	1,500,000
Proceeds from share application monies received in advance	15	-	725,000
Net cash provided by/(used in) financing activities		6,795,701	3,402,984
Net change in cash and cash equivalents		2,121,616	853,895
Cash and cash equivalents at beginning of financial year		1,094,553	240,658
Cash and cash equivalents at end of financial year	7	3,216,169	1,094,553

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Corporate information

Pilbara Minerals Limited (the 'Company' or 'the entity') is a listed public company, incorporated in Australia and operating in Australia and Papua New Guinea. The entity's principal activities are mineral exploration and development.

The nature of the operations and principal activities of the Group, being the Company and the entities it controlled during the year, are described in the directors' report.

This financial report of the Group for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on the 30th September 2015.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

All amounts are presented in Australian dollars which is the Group's functional and presentation currency, unless otherwise noted.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) New Accounting Standards and Interpretations

New and amended standards adopted by the Group

Standards and amendments applicable for the first time in the year ended 30 June 2015 have not materially impacted these financial statements.

Standards and interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, up front accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting policies would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

2 Summary of significant accounting policies (continued)

Standards and interpretations in issue not yet adopted (continued)

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- Other standards not yet applicable
There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

(d) Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The Group's existing projections show that production funds will be required to be generated from the exploitation of the Tabba Tabba project, if not then by capital raisings, sales of assets or other initiatives, to enable the Group to fund its currently planned activities for at least the next twelve months from the date of signing these financial statements. Should new opportunities present that require additional funds, the directors will take action to reprioritise activities, dispose of assets and or raise further funds.

Additionally, the Group has a working capital balance of \$2,354,643 (2014: (\$899,384)) at 30 June 2015 and cash reserves of \$3,216,169 (2014: \$1,094,553). As noted in Note 28, the Group has raised \$8,087,657 post balance date.

Notwithstanding this issue, accordingly the directors have prepared the financial statements of the Group on a going concern basis. In arriving at this position, the directors have considered the following pertinent matter:

Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved, and therefore, the financial statements have been prepared on a going concern basis.

The Directors recognise that additional funding is required in order for the Group to meet its objectives, develop its assets and remain as a going concern. Whilst the Directors are confident of the Group's ability to raise additional capital, should the Group be unable to do so, there exists a material uncertainty that the Group will continue to be a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the consolidated entity be unable to continue as a going concern.

2 Summary of significant accounting policies (continued)

(e) Principles of consolidation

A controlled entity is any entity that Pilbara Minerals Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

(f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

2 Summary of significant accounting policies (continued)

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Property, plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Office Equipment	10-37.5%
Plant and Equipment	20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2 Summary of significant accounting policies (continued)

(j) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

When financial instruments are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit and loss, directly attributable transaction costs. Transaction costs related to instruments classified at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

- Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

The carrying amount of financial assets including uncollectable trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 Summary of significant accounting policies (continued)

Derecognition of financial assets and financial liabilities (continued)

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

2 Summary of significant accounting policies (continued)

(n) Borrowings

Borrowings comprise of convertible notes. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

The conversion option (derivative) is initially recognized at fair value on the date the convertible notes are entered into, and subsequently measured at fair value on each reporting date.

The components of convertible notes that exhibit characteristics of a liability are recognized as a liability in the Statement of Financial Position net of transaction costs.

(o) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Once a decision has been made to proceed with development in respect of a particular area of interest and the necessary finance and regulatory approvals for development are obtained, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(p) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period, where this approximates the rate at the transaction date.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

2 Summary of significant accounting policies (continued)

Foreign currency transactions and balances (continued)

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(t) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(u) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments from time to time, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pilbara Minerals Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

2 Summary of significant accounting policies (continued)

Share-based payment transactions (continued)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Cash settled transactions:

The Group also provides benefits to employees from time to time in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Pilbara Minerals Limited.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

(x) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Pilbara Minerals Limited.

(z) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 20 for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognized to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognize its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

3 Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations, which incorporate various key assumptions and estimates.

Exploration and evaluation costs carried forward

The accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Development expenditure

Development activities commence after commercial viability and technical feasibility of the project is established and development of the project is fully funded and approved. Judgement is applied by management to determine when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to the future events. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit and loss.

Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the Group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the best estimate, pending assessment by the Australian Tax Office.

Share based payments

Management judgment is applied in determining the following key assumptions that are used in the valuation of share based payments:

- Market price of the underlying asset
- Prevailing level of the risk free rate
- Expected volatility of the value of the underlying asset over the period until the expiry of the option
- Level of dividends expected to be paid on the asset in the period until the expiry of the option and their timing
- Probability of options held being exercised
- Performance conditions

Fair value of derivative financial instruments

The fair value of derivatives is assessed at each reporting date. These assessments require the use of estimated assumptions. When these assumptions change or become known in the future, such differences will impact the carrying value of the derivatives in the period in which they change or become known.

Interests in Joint Arrangements

Joint arrangements require the contractual sharing and control between parties in a business venture where unanimous decisions about the relevant activities are required ("joint control"). Separate joint venture entities providing joint venturers with interest to net assets are classified as a "joint venture" and accounted for using the equity method. "Joint operations" represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

The decisions as to whether joint control exists, and if so, the decision as to whether such an arrangement is a joint operation or joint venture requires the application of judgment to the contractual and actual relationship of the parties involved.

PILBARA MINERALS LIMITED
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4 Revenue

	2015 \$	2014 \$
Other Income		
Interest received	45,283	5,065
Reimbursed expenditure	-	289,891
Other income	27,956	53,719
Total Other Income	73,239	348,675

5 Income Tax Expense

	2015 \$	2014 \$
Current income tax expense	(51,656)	-
Deferred income tax expense	-	-
Income tax benefit	(51,656)	-

A numerical reconciliation between the tax expense(income) and the product of the accounting loss multiplied by the applicable tax rate

Loss before income tax expense	(5,564,164)	(3,187,308)
Tax at the applicable tax rate	(1,669,249)	(956,192)
Research & development tax offset	(51,656)	-
Tax effect of:		
- Non-deductible expenses	692,325	52,617
- Borrowing costs	-	(6,462)
- Deferred tax asset not recognised	976,924	910,037
Income tax benefit	(51,656)	-

Potential deferred tax assets have not been recognised at 30 June 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. Deferred tax assets will only be recognized when it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. In addition, the benefit of tax losses is also dependent on:

- The Company satisfying the conditions under the tax law for tax losses to be deductibles; and,
- No changes in tax law adversely affect the Company from realizing the benefit of the tax losses.

The deferred tax asset not recognised for tax losses reflects only the estimated tax losses of the Company as at 30 June 2015 of \$6,996,062 (2014: \$4,445,651). No amount has been estimated for subsidiaries as their tax losses are uncertain at this point in time.

6 Auditor's Remuneration

	2015 \$	2014 \$
Remuneration of the auditor of the parent entity for auditing and reviewing the financial reports	29,000	32,000
Other services	-	-
Total auditor's remuneration	29,000	32,000

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7 Cash and cash equivalents

	2015 \$	2014 \$
Cash at bank and on hand	3,216,169	1,094,553
Total cash at bank and on hand	3,216,169	1,094,553

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	3,216,169	1,094,553
	3,216,169	1,094,553

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The Group engaged in the following non-cash financing activities for the period ending 30 June 2015:

	2015 \$	2014 \$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss for the year	(5,512,508)	(3,187,308)
Non-cash flows in profit:		
- Exploration expenditure impaired	1,980,346	2,641,931
- Depreciation expense	21,257	4,220
- Gain on sale of financial asset	-	(28,294)
- Borrowing costs	243,982	150,773
- Revaluation of financial liability	89,760	66,000
- Share based payments expense	1,955,000	-
Changes in assets and liabilities		
- (Increase) in trade receivables	(432,053)	(324,560)
- Decrease in other current assets	-	8,487
- (Decrease) in operating trade payables	(35,880)	(246,180)
- Increase in other operating receivables and payables	207,622	-
Cash flow from operations	(1,482,474)	(914,931)

8 Trade and other receivables

	2015 \$	2014 \$
Trade debtors (i)	756,613	324,560
Accrued income tax rebate	51,656	-
Other receivables	110,497	12,455
Total trade and other receivables	918,766	337,015

(i) Includes \$754,321 receivable from Tabba Tabba Tantalum Pty Ltd (previously Nagrom Mining Pty Ltd) (2014: \$318,881).

9 Loans receivable

	2015 \$	2014 \$
Loan to Tabba Tabba Tantalum Pty Ltd (previously Nagrom Mining Pty Ltd)	1,627,045	-
Total loans receivable	1,627,045	-

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10 Plant and equipment

	2015 \$	2014 \$
Plant and equipment		
At cost	106,948	13,359
Accumulated depreciation	(29,940)	(9,264)
Total plant and equipment	77,008	4,095

Movements in Carrying Amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	2015 \$	2014 \$
Opening balance at 1 July	4,095	8,315
Additions	94,170	-
Depreciation	(21,257)	(4,220)
Carrying amount at 30 June	77,008	4,095

11 Deferred exploration and evaluation expenditure

	2015 \$	2014 \$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	3,070,111	4,400,140
Exploration expenditure incurred	675,036	1,311,902
Mine rehabilitation costs	41,623	-
Exploration expenditure impaired (i)	(1,980,346)	(2,641,931)
Total deferred exploration and evaluation expenditure	1,806,424	3,070,111

The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value.

(i) Relates to the West Pilbara Fox Resources joint venture.

12 Other financial assets

	2015 \$	2014 \$
Shares held in Arunta Resources Ltd (ASX: AJR)	72,000	72,000
Less: provision for impairment	(66,000)	(66,000)
Investment in unlisted company (i)	-	200,000
Total other financial assets	6,000	206,000

(i) 12% holding in Tabbra Tabbra Tantalum Pty Ltd (previously Nagrom Mining Pty Ltd) as at 30 June 2014 which increased to 50% on 1 July 2014 and treated as investment using equity method.

13 Trade and other payables

	2015 \$	2014 \$
Trade payables	458,151	134,598
Accrued expenses	284,291	57,066
Other payables	512	28,547
Total trade and other payables	742,954	220,211

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

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14 Provisions

	2015 \$	2014 \$
Mine rehabilitation	41,623	-

15 Share applications received in advance

	2015 \$	2014 \$
Share applications received in advance	1,000	725,000
Total share applications received in advance	1,000	725,000

16 Borrowings

	2015 \$	2014 \$
Convertible note – debt liability	1,887,794	1,039,238
Convertible note – derivative liability	733,966	346,503
Total financial liabilities	2,621,760	1,385,741

On 22 June 2015, 1.7 million convertible notes were issued by the Company. The convertible notes have an interest rate of 15% and a term of 18 months from the date of issue. For every 100,000 notes issued, 1.25 million free attaching options were issued, exercisable at \$0.05 per option within 18 months of issue (Note 17). The conversion price is a 20% discount to the VWAP price in the preceding 5 days of the conversion of the notes.

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and a derivative component, representing the residual attributable to the option to convert the finance liability into equity of the Company. The derivative liability is expensed as borrowing costs over the life of the convertible notes. The effective interest rate of the notes is 36%. As at 30 June 2015, none of the 1,700,000 convertible notes had been converted.

In the year ended 30 June 2014, 1.5 million convertible notes were issued by the Company:

1. Convertible Notes - Issued 26 March 2014: The convertible notes have an interest rate of 20% and the termination date is 25 September 2015. The conversion price is a 25% discount to the VWAP price in the preceding 5 days of the conversion of the notes. The Company also agreed to issue each Borrower unlisted options ('Attaching Options') with an exercise price of \$0.03 per share and an expiry date of 25 March 2017. On 26 March 2014, 8,223,332 free attaching options were issued. Total cash raised was \$246,700.

2. Convertible Notes - Issued 30 May 2014: The convertible notes have any interest rate of 20% and the termination date is 30 November 2015. The conversion price is a 25% discount to the VWAP price in the preceding 5 days of the conversion of the notes. The Company has also agreed to issue each Borrower unlisted options ('Attaching Options') with an exercise price of \$0.03 per share and an expiry date of 25 March 2017. On 30 May 2014, 41,776,659 free attaching options were issued. Total cash raised was \$1,253,300.

As at 30 June 2015, 525,000 of the 1,500,000 convertible notes had been converted.

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17 Contributed equity

	2015		2014	
	\$		\$	
(a) Share capital				
Ordinary shares	23,579,553		16,098,582	
Total share capital	23,579,553		16,098,582	
(b) Movements in ordinary share capital				
	2015		2014	
	Number of shares	\$	Number of shares	\$
Ordinary shares				
At the beginning of reporting period	330,297,262	16,098,582	194,277,626	14,752,182
Share placement to sophisticated investors on 31 July 2014	-	-	29,141,643	291,416
Share placement to sophisticated investors on 7 November 2014	-	-	78,658,356	786,584
Share issued to Directors and consultants in lieu of payment on 7 November 2014	-	-	4,037,537	49,300
Share issued to consultants in lieu of payment on 26 March 2015	-	-	3,182,100	31,821
Share placement to Directors on 3 April 2015	-	-	11,000,000	110,000
Share issue as part of acquisition of joint venture on 10 June 2015	-	-	10,000,000	100,000
Share placement to sophisticated investors on 7 July 2014	61,670,000	925,050	-	-
Share issue pursuant to share purchase plan on 30 July 2014	86,399,973	1,296,000	-	-
Share placement of share purchase plan shortfall on 11 August 2014	77,353,326	1,160,300	-	-
Share placement to sophisticated investors on 11 August 2014	38,330,000	574,950	-	-
Share issue from conversion of convertible notes on 3 November 2014	9,173,014	446,822	-	-
Share Issue from exercise of 25/3/2017 options on 3 November 2014	7,499,999	225,000	-	-
Share issue from conversion of convertible notes on 3 December 2014	3,530,683	129,620	-	-
Share Issue from exercise of 25/3/2017 options on 3 December 2014	3,333,333	100,000	-	-
Share issue to drilling contractor in lieu of payment on 20 April 2015	934,307	36,317	-	-
Share placement to sophisticated investors on 5 June 2015	15,000,000	675,000	-	-
Share placement to sophisticated investors on 9 June 2015	2,000,000	90,000	-	-
Share issue from conversion of convertible notes on 9 June 2015	747,104	35,561	-	-
Share Issue from exercise of 25/3/2017 options on 10 June 2015	5,446,666	163,400	-	-
Share Issue from exercise of 25/3/2017 options on 18 June 2015	3,333,333	100,000	-	-
Share issue from conversion of convertible notes on 23 June 2015	783,251	71,792	-	-
Share Issue from exercise of 25/3/2017 options on 23 June 2015	1,666,666	50,000	-	-
Share issue to drilling contractor in lieu of payment on 23 June 2015	679,686	80,949	-	-
Share Issue from exercise of 22/12/2016 options on 23 June 2015	3,000,000	150,000	-	-
Share Issue from exercise of 22/12/2016 options on 25 June 2015	4,000,000	200,000	-	-
Share Issue from exercise of 22/12/2016 options on 30 June 2015	3,400,000	170,000	-	-
Transfer from share based payments reserve	-	1,054,160	-	-
Share issue costs	-	(253,950)	-	(22,721)
At reporting date	658,578,603	23,579,553	330,297,262	16,098,582

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18 Reserves

Foreign currency translation reserve

	2015	2014
	\$	\$
Opening balance beginning of year	(68,073)	(68,073)
Movement for the year	-	-
Closing balance end of year	(68,073)	(68,073)

Share based payment reserve

This reserve records the fair value of the options issued.

Share based payments reserve

\$

At 30 June 2013	24,753
Lapse of options	(24,753)
Share based payment	230,766
At 30 June 2014	230,766
Options exercised and transferred to contributed equity	(1,054,160)
Share based payment expense (refer Note 19)	1,955,000
Share based payment cost of equity (refer Note 19)	193,950
At 30 June 2015	1,325,556

Movement in options

Number of options

At 30 June 2013	1,000,000
Lapse of options	(1,000,000)
Options issued	49,999,991
At 30 June 2014	49,999,991
Options issued expiring 22 December 2016 at \$0.05	23,150,000
Options exercised expiring 25 March 2017 at \$0.03	(21,279,997)
Options exercised expiring 22 December 2016 at \$0.05	(10,400,000)
At 30 June 2015	41,469,994

19 Share based payments

- (i) On 22 June 2015, the Company issued 21,250,000 unlisted options to acquire shares at \$0.05 per share. The options were issued free and were attached to the issue of 1,700,000 convertible notes (refer Note 16). The options expire on 22 December 2016. The options were independently valued at \$0.092 per option, giving a total value of \$1,955,000. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price	\$0.05
Share price on grant date	\$0.13
Life of option (years)	1.5
Expected share price volatility	100%
Risk-free interest rate	1.95%
Underlying share price	\$0.13

- (ii) On 22 June 2015, the Company issued 1,900,000 unlisted options to acquire shares at \$0.05 per share, expiring on 22 December 2016. The options were issued free pursuant to a capital raising. The options were independently valued at \$0.102079 per option, giving a total value of \$193,950. The value of the options has been recorded in the accounts as a cost of equity. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price	\$0.05
Share price on grant date	\$0.13
Life of option (years)	1.5
Expected share price volatility	124%
Risk-free interest rate	1.95%
Underlying share price	\$0.13

19. Share based payments (continued)

(iii) A summary of movements of all company options issued is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2013	-	-
Granted	49,999,991	\$0.03
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2014	49,999,991	\$0.03
Granted	23,150,000	\$0.05
Forfeited	-	-
Exercised	31,679,997	\$0.037
Expired	-	-
Options on hand as at 30 June 2015	41,469,994	\$0.036

20 Earnings per share

	2015 \$	2014 \$
a. Basic Loss per share		
i. Basic Loss per share (cents per share)	(0.94)	(1.15)
ii. Net loss used to calculate basic loss per share	(5,512,508)	(3,187,308)
Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	589,250,304	278,223,722
b. Diluted loss per share		
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	Not applicable	Not applicable

21 Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2015	2014
Controlled Entities Consolidated			
Sturt Resources Limited	Australia	100%	100%
Sturt Resources PNG Limited	Papua New Guinea	100%	100%
Star 15 Limited	Papua New Guinea	100%	100%
New Global Limited	Papua New Guinea	100%	100%

22 Associates and Joint Venture Arrangements

On 1 July 2014, the Company acquired a 50% interest in Tabba Tabba Tantalum Pty Ltd ("TTT") (formerly Nagrom Mining Pty Ltd). TTT is a joint arrangement that is structured as an incorporated entity (company) with two shareholders, one of which is the parent. The primary purpose of TTT is to develop and operate the Tabba Tabba tantalum project. TTT is classified by the Group as a Joint Venture. At 30 June 2015, the Group held 50% economic interest in TTT and 50% of the voting rights in relation to the joint venture for the entire period.

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interests/Participating Share		Measurement Method	Carrying Amount	
			2015	2014		2015	2014
			%	%		\$000	\$000
Tabba Tabba Tantalum Pty Ltd	Joint Venture	Perth, Australia	50	12%	Equity method	1,200,000	- (i)

(i) An amount of \$200,000 relating to the year ended 30 June 2014 was included in Other Financial Assets on the balance sheet. (Note 12)

Summarised Financial Information for Joint Venture

Set out below is the summarized financial information for TTT. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards of TTT. The following summarized financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the joint venture.

TTT has the same financial year end as Pilbara Minerals Limited.

	Tabba Tabba Tantalum Pty Ltd	
	2015 \$	2014 \$
Summarised Financial Position		
Cash and cash equivalents	3,229	-
Total current assets	422,060	805,380
Total non-current assets	7,932,460	3,719,702
Current financial liabilities (excluding trade and other payables)	(5,183,978)	(129,071)
Total current liabilities	(5,299,644)	(1,260,825)
Non-current financial liabilities (excluding trade and other payables and provisions)	(358,098)	(567,479)
Total non-current liabilities	(358,098)	(567,479)
NET ASSETS	2,696,778	2,696,778
Group's share (%)	50%	-
Group's share of net assets	1,348,389	-
Summarised Financial Performance		
Revenue	-	-
Other expenses	-	-
Profit or loss from continuing operations	-	-
Income tax benefit	-	298,234
Profit after tax from continuing operations	-	298,234
Profit after tax from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	-	298,234
Dividends Paid	-	-
Group's share of total comprehensive income	-	-

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23 Parent entity information

	Parent entity	
Financial information in relation to:	2015	2014
	\$	\$
Statement of Profit or Loss and Other Comprehensive		
i. Income		
Loss before income tax	(8,921,366)	(516,794)
Income tax benefit	51,656	-
Loss after income tax	(8,869,710)	(516,794)
Loss attributable to members of the parent entity	(8,869,710)	(516,794)
ii. Retained earnings		
Accumulated losses at the beginning of the year	(10,597,323)	(10,105,282)
Loss after income tax	(8,869,710)	(516,794)
Lapse of options	-	24,753
Accumulated losses at the end of the year	(19,467,033)	(10,597,323)
iii. Statement of Financial Position		
	2015	2014
	\$	\$
Current Assets		
Cash and cash equivalents	3,216,169	1,078,111
Trade and other receivables	918,766	604,435
Loans receivable	1,627,045	-
Total Current Assets	5,761,980	1,682,546
Non-Current Assets		
Plant and equipment	77,008	-
Exploration and evaluation assets	1,806,424	3,070,111
Investment in controlled entities	1,200,000	3,310,400
Total Non-Current Assets	3,083,432	6,380,511
Total Assets	8,845,412	8,063,057
Current Liabilities		
Trade and other payables	742,954	220,291
Provisions	41,623	-
Share application monies received in advance	1,000	725,000
Borrowings	2,621,760	1,385,741
Total Current Liabilities	3,407,337	2,331,032
Total Liabilities	3,407,337	2,331,032
Net Assets	5,438,075	5,732,025
Equity		
Issued capital	23,579,553	16,098,582
Reserves	1,325,556	230,766
Accumulated losses	(19,467,034)	(10,597,323)
Total Equity	5,438,075	5,732,025

The parent entity had no commitments or contingent liabilities at balance date.

24 Operating segments

Segment information

Identification of reportable segments

The Consolidated Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Group operates in the two segments of corporate, and exploration and mine development, (specifically on the Tabba Tabba and Pilgangoora mineral projects) within Australia.

Pilbara Minerals Ltd is domiciled in Australia. All of the assets are located in Australia.

The Group's revenues and assets and liabilities according to operating segments are shown below.

	June 2015				
	Total	Corporate	Tabba	Pilgangoora	West Pilbara
			Tabba Tantalum Joint Venture		
	\$	\$	\$	\$	\$
Revenue					
Other revenue	73,239	73,239	-	-	-
Total segment revenue	73,239	73,239	-	-	-
Results					
Net loss before income tax	(5,564,164)	(3,580,844)	(279,140)	(1,040)	(1,703,140)
Income tax	51,656	51,656	-	-	-
Net loss	(5,512,508)	(3,529,188)	(279,140)	(1,040)	(1,703,140)
Assets and Liabilities					
Assets	8,851,412	3,475,497	3,646,587 (i)	1,729,328	-
Liabilities	3,407,337	3,365,714	41,623	-	-

(i) Includes the trade debtor, loan receivable and capitalised exploration in relation to Tabba Tabba Tantalum Pty Ltd.

	June 2014				
	Total	Corporate	Tabba	Pilgangoora	West Pilbara
			Tabba Tantalum Joint Venture		
	\$	\$	\$	\$	\$
Revenue					
Other revenue	348,675	348,675	-	-	-
Total segment revenue	348,675	348,675	-	-	-
Results					
Net loss before income tax	(3,187,308)	(3,170,572)	(9,674)	(7,062)	-
Income tax	-	-	-	-	-
Net loss	(3,187,308)	(3,170,572)	(9,674)	(7,062)	-
Assets and Liabilities					
Assets	4,711,774	2,720,996	1,266,527 (i)	54,765	669,486
Liabilities	2,330,952	2,330,952	-	-	-

(i) Includes the trade debtor and capitalised exploration in relation to Tabba Tabba Tantalum Pty Ltd.

25 Financial Instruments

The totals for each category of financial instruments, measured in accordance with the accounting policies as detailed in Note 2 to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	7	3,216,169	1,094,553
Trade and other receivables	8	918,766	337,015
Loans receivable	9	1,627,045	-
Other financial assets	12	6,000	206,000
Total financial assets		5,767,980	1,637,568
Financial liabilities			
Trade and other payables	13	742,954	220,211
Borrowings	15	2,621,760	1,385,741
Total financial liabilities		3,364,714	1,605,952

The following table details the expected maturities for the Group's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
2015						
Non-interest bearing		56,059	-	1,627,045	6,000	-
Variable interest rate instruments	1.51	-	-	3,079,610	80,500	-
Trade and other receivables		-	918,766	-	-	-
		56,059	918,766	4,706,655	86,500	-
2014						
Non-interest bearing	-	896,147	-	-	-	-
Variable interest rate instruments	2.35	198,406	-	-	-	-
Trade and other receivables	-	-	337,015	-	-	-
		1,094,553	337,015	-	-	-

The following tables detail the Group's remaining contractual maturities' for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
2015						
Non-interest bearing	-	595,262	147,692	-	-	-
	-	595,262	147,692	-	-	-
2014						
Non-interest bearing	-	220,211	-	-	-	-
	-	220,211	-	-	-	-

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills and leases.

25 Financial Instruments (continued)

Financial Risk Management Policies

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Finance Risk and Audit Committee (FRAC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Group. The FRAC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The FRAC's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. This note presents the information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FRMC has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Details with respect to credit risk of trade and other receivables are provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

c. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of the holdings of financial instruments. The Group is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

d. Interest rate risk

The Group is exposed to interest rate risk as the Group deposits the bulk of its cash reserves in Term Deposits. The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term deposits. The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

25 Financial Instruments (continued)

Interest rate sensitivity

- e At 30 June 2015, the effect on loss and equity as a result of changes in the variable interest rates, with all other variable remaining constant would be as follows:

	2015	2014
	\$	\$
Increase in interest rate by 1%	(1,516)	(1,984)
Decrease in interest rate by 1%	1,516	1,984

26 Commitments and Contingencies

Remuneration Commitments

There are no material remuneration commitments as at 30 June 2015.

Guarantees

In December 2013 in order to fund the development of the Tabba Tabba plant, the Company entered into an Asset Finance Agreement with the National Australia Bank to act as Co-Guarantors joint and severally liable with Valdrew Nominees Pty Ltd, Rain Lea Jovanovic and Eric Peter Murphy (individuals related to Valdrew Nominees) for an asset finance facility for Tabba Tabba Tantalum Pty Ltd. At 30 June 2015 Tabba Tabba Tantalum Pty Ltd had an outstanding amount on this facility of \$485,942 (2014:\$604,989).

Contingent liabilities

There are no contingent liabilities as at 30 June 2015.

Exploration license expenditure requirements

The Group has established minimum exploration commitments as follows

	2015	2014
	\$	\$
Within one year	232,800	-
Later than one year but less than five years	931,200	-

27 Dividends

The Directors of the Group have not declared any dividends for the year ended 30 June 2015.

28 Events subsequent to reporting date

On 1 July 2015 the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 7 July 2015 the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 14 July 2015 the Company issued 1,000,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 23 July 2015, the Company undertook a placement via the issue of 22,727,274 fully paid ordinary shares at \$0.11 cents per share. The placement was made to institutional investors. The shares were issued with free attaching options on the basis of three options for every four shares issued. The options have an exercise price of \$0.15 per option and an expiry date of 2 years from the date of issue. The issue of options is subject to approval by shareholders and are yet to be issued.

On 24 July 2015 the Company issued 375,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 4 August 2015, the Company issued 1,275,054 fully paid ordinary shares at \$0.097168 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 4 August 2015, the Company issued 708,147 fully paid ordinary shares at \$0.087555 cents per share, being on the conversion of principle and accrued interest on convertible notes.

28 Events subsequent to reporting date (continued)

On 2 September 2015, the Company issued 4,000,000 convertible notes at \$1.00 per convertible note, pursuant to approval by shareholders at a General Meeting held on 28 August 2015

On 2 September 2015, the Company issued 56,400,000 share options with an exercise price of \$0.05 and expiry date of 2 March 2017, pursuant to approval by shareholders at a General Meeting held on 28 August 2015.

On 4 September 2015, Mr. John Young was appointed as Executive Director. Prior to this, he was the Company's Exploration Manager.

On 8 September 2015, the Company issued 4,553,770 fully paid ordinary shares at \$0.096839 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 8 September 2015, the Company issued 2,550,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 14 September 2015, the Company issued 3,400,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 16 September 2015, the Company issued 928,826 fully paid ordinary shares at \$0.1363361 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 16 September 2015, the Company issued 1,845,080 fully paid ordinary shares at \$0.1372058 cents per share, being on the conversion of principle and accrued interest on convertible notes.

On 18 September 2015, the Company issued 744,800 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 22 September 2015, the Company issued 29,500,000 unlisted options with an expiry date of 22 March 2017 and an exercise price at \$0.10 cents per share. The options were issued to directors, consultants and employees. The issue of the options to directors was approved by shareholders at a general meeting of the company on 28 August 2015.

On 23 September 2015, the Company announced that it had entered into binding agreements for the acquisition of the 50% interest it did hold in its incorporated joint venture Tabba Tabba Tantalum Pty Ltd (formerly Nagrom Mining Pty Ltd). The consideration for the purchase is an initial cash payment of \$2,000,000 plus a further payment of \$1,300,000 subject to the delivery by Tabba Tabba Tantalum Pty Ltd of tantalum concentrate in accordance with the terms of the Minerals and processing agreement held by the Company With Global Advanced Metals Wodgina Pty Ltd. Further the vendor of the 50% interest, Valdrew Nominees Pty Ltd, is to stand aside from any loans, advances or claims for payment in respect of past purchases due from Tabba Tabba Tantalum Pty Ltd.

On 24 September 2015, the Company Announced a significant upgrade in its Resource estimate for the Pilgangoora Lithium/Tantalum project details of which are included in the Directors' Report.

On 24 September 2015, the Company issued 1,600,000 fully paid ordinary shares at \$0.05 cents per share, being on the conversion of options.

On 25 September 2015, the Company announced that it had completed the acquisition of the 50% interest of Tabba Tabba Tantalum Pty Ltd in accordance with the terms announced on 23 September 2015 and that Tabba Tabba Tantalum Pty Ltd was now a wholly owned subsidiary of the Company.

On 25 September 2015, the Company announced that it had completed the acquisition of the 50% interest of Tabba Tabba Tantalum Pty Ltd in accordance with the terms announced on 23 September 2015 and that Tabba Tabba Tantalum Pty Ltd was now a wholly owned subsidiary of the Company.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

29 Key Management Personnel

(a) Details of Key Management Personnel

Tony Leibowitz	Non-Executive Director (appointed 30 May 2013) and Chairman (appointed 11 June 2013)
Neil Biddle	Non-Executive Director (appointed 30 May 2013)
Robert Adamson	Consulting Geologist (appointed Non-Executive Director 1 July 2010)
John Young	Exploration Manager (appointed Director)
Alan Boys	Company Secretary (appointed 26 October 2014)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable, share and option holdings to each member of the Group's key management personnel for the year ended 30 June 2015.

(b) Key Management Personnel Compensation

Refer to the remuneration report contained in the directors report for details of the remuneration paid or payable to each members of the Group's key management personnel (KMP) for the year ended 30 June 2015.

The total remuneration paid to KMP of the company and the Group during the year are as follows:

	2015	2014
	\$	\$
Short term employee benefits	732,570	382,115
Post-employment benefits	-	-
Share based payments	-	-
	732,570	382,115

30 Related Party Disclosures

Parent entity

Pilbara Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out at Note 21.

Related parties (not associated with key management personnel)

Following the Group's purchase of 50% interest in the incorporated joint venture Tabba Tabba Tantalum Pty Ltd during the year, it is a related party of the Group. Valdrew Nominees Pty Ltd, the 50% joint holder of Tabba Tabba Tantalum Pty Ltd, is also a related party of the Group in accordance with AASB 123 for the year ended 30 June 2015.

During the year the Group invoiced Tabba Tantalum Pty Ltd an amount of \$427,974 (2014: \$289,891) for services and as at 30 June 2015 had trade receivables due from Tabba Tabba Tantalum Pty Ltd of \$754,322 (2014: \$283,551) and an outstanding loan advance due to it of \$1,627,045 (2014:\$nil).

During the year the Group purchased goods and services from Valdrew Nominees Pty Ltd totalling \$215,280 (2014: \$0) and had trade payables as at 30 June 2015 of \$84,500 (2014: nil). During the year the Group purchased its 50% interest in Tabba Tabba Tantalum Pty Ltd from Valdrew Nominees Pty Ltd for the sum of \$1,200,000 (2014:\$nil).

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report in the director's report.

Transactions with Key Management Personnel related parties

Amounts disclosed below in the transactions with related parties are shown net of GST.

(a) Disclosure of transactions for the purchase of goods and service of related parties of Tony Leibowitz:

- Tony Leibowitz is a shareholder and director of Kalonda Pty Ltd, Leibowitz & Sons Pty Ltd and Floreat Investments Pty Ltd.
- Services provided included corporate advisory services, provision of office accommodation and secretarial services.
- Kalonda Pty Ltd, Leibowitz & Sons Pty Ltd and Floreat Investments Pty Ltd provided services to the group on commercial terms during the year.
- The Group made the following payments during the year:

30. Related Party Disclosures (continued)

	2015	2014
	\$	\$
Kalonda Pty Ltd	75,881	59,400
Leibowitz & Sons Pty Ltd	39,586	-
Floreat Investments Pty Ltd	22,055	-
Total	152,522	59,400

- (b) Disclosure of other related party transactions of related party of Tony Leibowitz.
 Kalonda Pty Ltd on 30 May 2014 subscribed for a convertible note with a face value of \$50,000. On 16 October 2014, Kalonda Pty Ltd pursuant to the terms of the note deed converted the principle and accrued interest into 1,303,902 ordinary shares in the company.

- The amount payable to these entities at 30 June 2015 is:

	2015	2014
	\$	\$
Kalonda Pty Ltd	-	39,525
Leibowitz & Sons Pty Ltd	-	-
Floreat Investments Pty Ltd	25,100	-
Total	25,100	39,525

- (c) Disclosure of transactions for the purchase of goods and services of related party of Neil Biddle;
- Neil Biddle is a shareholder and director of Hatched Creek Pty Ltd.
 - Services provided included corporate advisory services.
 - Hatched Creek Pty Ltd provided services to the group on commercial terms during the year. The group made payments during the year on commercial terms totalling \$236,820 (2014: \$69,200) to Hatched Creek Pty Ltd for services provided.
 - The amount payable to Hatched Creek Pty Ltd at 30 June 2015 is \$25,300 (2014: \$24,640).
- (d) Disclosure of transactions for the purchase of goods and services of related party of John Young:
- John Young is a shareholder and director of Metallon Resources Pty Ltd.
 - Services provided included corporate advisory services and short-term vehicle hire.
 - Metallon Resources Pty Ltd provided services to the group on commercial terms during the year. The group made payments during the year on commercial terms totalling \$163,900 (2014: \$80,500) to Metallon Resources Pty Ltd for services provided.
 - The amount payable to Metallon Resources Pty Ltd at 30 June 2015 is \$21,906 (2014: \$1,500).
- (e) Disclosure of transactions for the purchase of goods and services of related party of Alan Boys;
- Alan Boys is a shareholder and director of Dubois Group Pty Ltd.
 - Services provided included accounting and secretarial services provided by Mr Boys and other employees of Dubois Group Pty Ltd.
 - Dubois Group Pty Ltd provided services to the group on commercial terms during the year. The group made payments during the year on commercial terms totalling \$66,750 (2014: nil) to Dubois Group Pty Ltd for services provided.
 - The amount payable to Dubois Group Pty Ltd at 30 June 2015 is \$11,000 (2014: nil).

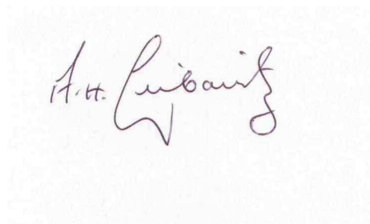
DIRECTORS' DECLARATION

In the opinion of the Directors of Pilbara Minerals Limited (the Group):

1. The financial statements and notes thereto, as set out on pages 23 to 52 are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year then ended; and
 - b. complying with Accounting Standards and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in purple ink, appearing to read 'A. Leibowitz', is written over a faint, rectangular grid pattern.

Tony Leibowitz
Chairman
30 September 2015

Independent Auditor's Report

To the members of Pilbara Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Pilbara Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Pilbara Minerals Limited comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of Pilbara Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 2(d) to the financial statements which outlines that the going concern basis is dependent upon the Group obtaining additional funds through exploitation of the Tabba Tabba project, capital raisings, or other initiatives.

As a result there is a material uncertainty related to events or conditions that may cast significant doubt on the Pilbara Minerals Limited's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Pilbara Minerals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



SOMES COOKE



NICHOLAS HOLLENS

Partner

30 September 2015

Perth

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Pilbara Minerals Limited ("Pilbara" or "the Company"), is responsible for the corporate governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Company has taken note of the Corporate Governance Principles and Recommendations 3rd Edition, which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective on or after 1 July 2014.

The Company's Corporate Governance Statement is available on the Company's website at:

http://www.pilbaraminerals.com.au/sites/pilbaraminerals.com.au/files/files/CorpGovStatement_Principles_PLScin al28092015.pdf

The Company's Corporate Governance Policies are available at :

<http://www.pilbaraminerals.com.au/corporate-governance>

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

The Company's Corporate Governance Statement is available on the Company's website at:
http://www.pilbaraminerals.com.au/sites/pilbaraminerals.com.au/files/files/CorpGovStatement_Principles_PLStin al28092015.pdf

B. Shareholding

1. Substantial Shareholders

The Company does not have any substantial holders listed on the register as at 24 September 2015:

2. Number of holders in each class of equity securities and the voting rights attached (as at 24 September 2015)

Ordinary Shares

There are 2,432 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Group's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There are 70 holders of options. There are no voting rights attached to the options.

A total of 115,750,194 options are on issue. The 115,750,194 options, if exercised, will convert into 115,750,194 ordinary shares. 21,499,999 options are on issue to three of the four Directors.

The options have the following exercise prices and expiry dates:

- 28,719,994 exercisable at \$0.03 and expiring 25 March 2017.
- 6,875,000 exercisable at \$0.05 and expiring 22 December 2016.
- 50,655,200 exercisable at \$0.05 and expiring 2 March 2017.
- 29,500,000 exercisable at \$0.10 and expiring 22 March 2017.

Convertible Notes

There are 42 holders of convertible notes. There are no voting rights attached to the convertible notes.

A total of 5,875,000 convertible notes are on issue. 300,000 convertible notes are on issue to two of the four Directors.

The convertible notes have the following conversion prices and maturity dates:

- 13,550 convertible at \$1.00 per note maturing 25 September 2015.
- 161,450 convertible at \$1.00 per note maturing 30 November 2015.
- 1,700,000 convertible at \$1.00 per note maturing 22 December 2016.
- 4,000,000 convertible at \$1.00 per note maturing 2 March 2017.

3. Distribution schedule of the number of holders in each class of equity security as at 24 September 2015.

Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	53	20,794	0.003%
1,001 - 5,000	256	840,025	0.120%
5,001 - 10,000	321	2,809,023	0.400%
10,001 - 100,000	1,086	47,509,529	6.765%
100,001+	716	651,057,183	92.712%
TOTAL ON REGISTER	2,432	702,236,554	100%

ADDITIONAL SHAREHOLDER INFORMATION (continued)

4. Marketable Parcel

There are 66 shareholders with less than a marketable parcel, based on the closing share price of \$0.255 on 24 September 2015.

5. Twenty largest holders of each class of quoted equity security

The names of the 20 largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 24 September 2015) are as follows:

Ordinary Shares Top 20 holders and percentage held

1	Biddle Partners Pty Ltd <Biddle Super Fund A/C>	29,888,597	4.256
2	UBS Wealth Management Australia Nominees Pty Ltd	25,977,168	3.699
3	Winders Aus Investments Pty Ltd	12,514,016	1.782
4	Wansbone Nominees Pty Ltd	11,000,000	1.566
5	Emarzi Pty Ltd	9,350,000	1.331
6	National Nominees Ltd	8,977,494	1.278
7	Mr John Alexander Young & Mrs Cheryl Kaye Young <Forever Young Family A/C>	8,608,356	1.226
8	Mr Peter Barrett Capp <Capp Family A/C>	8,000,000	1.139
9	Mr Michael Larry Cornell	7,900,000	1.125
10	Petlin Noms Pty Ltd	7,688,985	1.095
11	Mr John Alexander Young & Mrs Cheryl Kaye Young <Forever Young S/F A/C>	7,550,000	1.075
12	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	7,485,663	1.066
13	2 M Resources Pty Ltd	7,021,756	1.000
14	Birdcove Pty Ltd	7,000,000	0.997
15	KMW Capital Investments Pty Ltd	6,410,781	0.913
16	Mr Kevin Griffiths	6,215,000	0.885
17	Westco Investments Pty Ltd	6,000,000	0.854
18	Nohuni Pty Ltd <Super Fund A/C>	5,750,000	0.819
19	Freight Show Pty Ltd <The Gracha A/C>	5,600,000	0.797
20	Sydes Holdings Pty Ltd <The Sydes Staff S/F A/C>	5,245,000	0.747
	TOTAL TOP 20 SHAREHOLDERS	194,182,816	27.652%
	TOTAL REMAINING SHAREHOLDERS	508,053,738	72.348%
	TOTAL SHAREHOLDERS	702,236,554	100.000%

6. Company Secretary

The name of the Company Secretary is Alan Boys.

Address and telephone details of the Group's registered administrative office and principal place of business:

130 Stirling Hwy, North Fremantle WA 6159 Telephone: (08) 9336 6267; Fax: (08) 9433 5121

Address and telephone details of the office at which a registry of securities is kept:

Advanced Share Registry Services
110 Stirling Highway, Nedlands WA 6009
Telephone: (08) 9389 8033
Website: www.advancedshare.com.au

Stock exchange on which the Group's securities are quoted:

The Group's listed equity securities are quoted on the Australian Securities Exchange – code PLS.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

Restricted Securities

There are no restricted securities on issue at 24 September 2015.

Review of Operations

A review of operations is contained in the Directors' Report.

Schedule of Tenements

The Group's Schedule of Tenements can be found in the Schedule of Tenements section of this Annual Report.

As at 24 September 2015

	Location	Tenements	Beneficial Interest	Notes
Pinnacle Hill	Western Australia	E45/360	100%	
Fox Resources JV	Western Australia	E47/1093	45%	JV
Fox Resources JV	Western Australia	E47/1094	45%	JV
Fox Resources JV	Western Australia	E47/1813	45%	JV
Fox Resources JV	Western Australia	E47/1814	45%	JV
Fox Resources JV	Western Australia	E47/1815	45%	JV
Fox Resources JV	Western Australia	E47/2261	45%	JV
Pilgangoora	Western Australia	E45/2232	100%	-
Pilgangoora	Western Australia	MLA45/1256	100%	-
Pilgangoora	Western Australia	L45/388	100%	-
Pilgangoora	Western Australia	E45/511	100%	-
Pilgangoora	Western Australia	M45/78	100%	-
Pilgangoora	Western Australia	M45/333	100%	-
Pilgangoora	Western Australia	E45/2241	100%	-