



ASX/Media Announcement

28 October 2016

SEPTEMBER 2016 QUARTERLY ACTIVITIES REPORT

Pilgangoora DFS confirms outstanding technical and financial outcomes, with preliminary project site works on-track to commence before calendar year-end

PILGANGOORA LITHIUM-TANTALUM PROJECT (PLS: 100%)

- Definitive Feasibility Study (“DFS”) completed for base case 2Mtpa development of the Pilgangoora Lithium-Tantalum Project, with key outcomes including:
 - *Outstanding project economics, Post-tax NPV¹_{10%} of A\$709M (March 2016 PFS: A\$407M) with robust margins, rapid payback (2.7 yrs) and strong IRR (38.1%);*
 - *Average annual production of approximately 314ktpa of 6% spodumene concentrate (44ktpa LCE) and 321,000lbs pa of tantalite;*
 - *Globally competitive cash operating costs² of US\$196/tonne CFR³ for first 15 years and LOM cash operating costs² of US\$207/tonne CFR³ reflecting Pilgangoora’s scale, location, grade and product quality;*
 - *Forecast life-of-mine project revenue of A\$9.23 billion and project EBITDA of A\$4.22 billion over an estimated 36-year mine life; and*
 - *Modest capital cost increase to A\$214M (March 16 PFS: A\$184M) arising from upfront investment to facilitate future substantial project growth and support improved lithium and tantalum recoveries.*
- Pre-Feasibility Study also completed to assess the option for a future expansion of the Pilgangoora Project to achieve 4Mtpa run-of-mine ore production and processing capacity, with results demonstrating an increase in projected annual average EBITDA to A\$245M and Net Present Value to A\$1,165M.
- Project on track for construction to commence in Q4 CY2016 and commissioning in late 2017, with respected engineering group Engenium appointed as Project Management Consultant and ordering of long lead items underway.
- Cooperation Agreements signed with Altura Mining (ASX: AJM), formalising a framework for ongoing cooperation between Pilbara and Altura in the development of both companies’ adjoining deposits.
- New phase of sterilisation and strategic development drilling underway, with exceptional early results received from the Far East and South End pegmatite zones. The results will be incorporated into an updated Mineral Resource estimate targeted for the end of CY2016.

CORPORATE

- Binding off-take agreement signed with General Lithium Corporation, a leading Chinese producer of lithium carbonate (Li₂CO₃) and lithium hydroxide monohydrate (LiOH.H₂O), and key supplier of lithium products and materials to the fast-growing lithium-battery industry in China.
- Further Board and management changes, with founding Executive Director Neil Biddle moving to a Non-Executive role and the appointment of Alex Eastwood as General Counsel and Company Secretary.

SUBSEQUENT TO THE END OF THE SEPTEMBER QUARTER

- Binding agreement with Dakota Minerals (ASX: DKO) to acquire 100% of the Lynas Find Lithium Project, which adjoins the Pilgangoora Project and hosts an Indicated and Inferred Mineral Resource of 7.3Mt @ 1.25% Li₂O, 85ppm Ta₂O₅ and 0.99% Fe₂O₃.
- Commenced the order of long-lead items in relation to Pilgangoora’s project delivery.
- Adoption and publishing of new corporate governance framework to position the Company for its next stage of growth as it transitions from developer to producer.
- Successful settlement of ongoing dispute in relation to right of first refusal (ROFR) over the Company’s lithium, and agreement to buy-back 2.5% net-smelter royalty with Mineral Resources Limited (ASX: MIN).
- Binding agreement with Roy Hill to acquire its Rail Camp 3 at a cost competitive price providing a significant capital saving for the Pilgangoora Project.

PROJECT DEVELOPMENT ACTIVITIES

PILGANGOORA LITHIUM PROJECT

Definitive Feasibility Study – 2Mtpa

Pilbara Minerals completed the Definitive Feasibility Study (DFS) on the initial 2Mtpa development of the Pilgangoora Project during the Quarter (refer to ASX Announcement 20 September 2016), with the results confirming the Project's exceptionally strong financial and technical merits and putting the Company on track to become Australia's next major lithium producer.

The DFS confirms the Pilgangoora Project's globally competitive forecast cash operating costs, robust margins, long life and exceptional economic returns – as well as its ability to scale-up to meet expected growing demand for lithium raw materials over the next decade.

The highly successful DFS provides a strong platform for the Company to complete additional project off-take arrangements (in addition to its existing off-take agreement with General Lithium), secure project financing and commence construction – which is targeted to commence in the fourth quarter of CY2016 with commissioning targeted during Q4 CY2017.

Based on the proposed 2Mtpa stand-alone mining and processing operation, the DFS indicates that Pilgangoora will be a robust, high margin project with current forecast life-of-mine revenue of A\$9.23 billion and life of mine (LOM) and Project EBITDA of A\$4.22 billion over an estimated 36-year mine life.

For the first 15 years of operations, revenues are expected to be A\$4.11 billion generating Project EBITDA of A\$1.99 billion (real).

A summary of the key DFS outcomes is provided below:

Study Outcomes	DFS – 2Mtpa Base case
Estimated Mine Life	36 years
LOM Project revenue (real)	A\$9.23 billion
LOM Project EBITDA (pre-tax; real)	A\$4.22 billion
Pre-production capital ⁴	A\$214 million
Post-tax NPV¹_{10%}	A\$709 million
Internal Rate of Return (IRR)	38.1%
LOM cash operating costs² (real, net of Ta₂O₅ credits)	US\$207/tonne CFR³
Project payback	~2.7 years
Average Annual EBITDA (real)	A\$121 million
LOM assumed spodumene concentrate price (real)	US\$537/tonne CFR ³
First 15 years cash operating costs² (real, net of Ta₂O₅ credits)	US\$196/tonne CFR³
First 15 years average annual EBITDA (real)	A\$133 million

1. NPV discount factors are presented on a nominal basis.
2. Cash operating costs include all mining, processing, transport, port, shipping/freight and site based general and administration costs, and an allocation of corporate administration/overhead cost, are net of Ta₂O₅ by-product credits, but exclude state, and private royalties and native title costs.
3. CFR ("Cost and Freight") is a trade term requiring the seller to arrange transport.
4. Pre-production capital costs exclude capitalised pre-production operating costs estimated to be \$10M.

Pre-Feasibility Study for 4Mtpa expansion option

In light of the substantial growth in the Pilgangoora Resource and Reserve during the year and the exceptionally strong outlook for global lithium demand, a separate Pre-Feasibility Study (PFS) was also completed for a potential future expanded 4Mtpa production option (refer to ASX Announcement 20 September 2016).

The PFS assumes processing capacity at the Pilgangoora Project being doubled to 4Mtpa from year three of the project with a commensurate increase in spodumene concentrate production.

Results from the 4Mtpa processing capacity PFS demonstrate the full potential of the Pilgangoora Project, including its significant scale, ultra-low cost base and product quality inclusive of both chemical and technical grade spodumene concentrate sales. Life-of-mine cash operating costs for the project are US\$180/tonne CFR (net of Ta₂O₅ by-product credits), for a relatively modest additional capital investment of A\$128 million.

Project returns are outstanding with the PFS demonstrating a Project NPV of A\$1.17 billion (10% nominal discount rate, post-tax) and Project IRR of 46.3%.

The key outcomes applicable to both the 2Mtpa Definitive Feasibility Study and 4Mtpa Pre-Feasibility Study are set out below:

Study Outcomes	DFS – 2Mtpa Base Case	PFS – 4Mtpa Expansion Option
Estimated Mine Life	36 years	19 years
LOM Project revenue (real)	A\$9.23 billion	A\$9.15 billion
LOM Project EBITDA (pre tax; real)	A\$4.22 billion	A\$4.66 billion
Capital Investment ⁸	A\$214 million	A\$342 million
Post-tax NPV⁷_{10%}	A\$709 million	A\$1,165 million
Internal Rate of Return (IRR)	38.1%	46.3%
LOM cash operating costs⁵ (real, net of Ta₂O₅ credits)	US\$207/tonne CFR⁶	US\$180/tonne CFR⁶
Project payback	~2.7 years	~3.05 years
Average Annual EBITDA (real)	A\$121 million	A\$245 million
LOM assumed spodumene concentrate price (real)	US\$537/tonne CFR ⁶	US\$539/tonne CFR ⁶

5. Cash operating costs include all mining, processing, transport, port, shipping/freight, site based general and administration costs, and an allocation of corporate administration/overhead costs, are net of Ta₂O₅ by-product credits, but exclude state and private royalties and native title costs.
6. CFR (“Cost and Freight”) is a trade term requiring the seller to arrange transport.
7. NPV discount factors are presented on a nominal basis.
8. Capital costs exclude capitalised pre-production operating costs estimated to be \$10M.

Pilbara will progress further engineering design on the expansion project, with decisions about future project expansion subject to the progress of further studies and future assessment of market conditions by Pilbara’s Board.

Ore Reserve Update

During the Quarter the Company reported a substantial increase in the Ore Reserves for the Pilgangoora Project to 69.8 million tonnes grading 1.26% Li₂O and 132ppm Ta₂O₅. This updated Ore Reserve estimate underpinned the 2Mtpa Definitive Feasibility Study and the 4Mtpa Pre-Feasibility Study outlined above.

The updated Ore Reserve, which is more than double the maiden Ore Reserve announced in March 2016 (29.5Mt at 1.3% Li₂O and 134ppm Ta₂O₅), is based on the upgraded Mineral Resource announced in early July 2016 of 128.6 million tonnes @ 1.22% Li₂O containing 1,572,000 tonnes of Li₂O. The expanded resource program from February to June 2016 not only increased and upgraded the Inferred and Indicated components of the resource to expand the reserve but also substantially increased the global resource.

The overall Pilgangoora Ore Reserve now comprises 883,000 tonnes of contained lithium oxide and 20.3 million pounds of contained tantalite.

Pilgangoora Tantalum-Lithium Project JORC Ore Reserve Estimate (August 2016)

Category	Tonnage (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Fe ₂ O ₃ (%)	Li ₂ O (T)	Ta ₂ O ₅ (Mlbs)
Proved	17.5	1.31	143	0.94	230,000	5.5
Probable	52.3	1.25	128	1.07	653,000	14.8
TOTAL	69.8	1.26	132	1.04	883,000	20.3

Metallurgical Testwork

DFS metallurgical testwork has been completed using both heavy media separation (HMS) and flotation testwork to further refine the proposed process plant flow-sheet and mineral recovery rates.

As a result of the completion of the Heavy Liquid Separation (HLS) variability testwork during Phase 2, the program demonstrated that the three stages of HMS proposed in the original flowsheet (as outlined in the PFS in March 2016) can now be reduced to two stages, eliminating the coarse rejects, improving plant operability and ultimately providing an expectation of further mineral recovery improvements for both Lithia and Tantalite during the post-DFS plant optimisation (and in particular float recovery) process.

The following testwork programs were completed on ore from the three Domains representing the first five years of mine life, namely the Eastern, Western and Central Domains:

- Comminution data, and optimisation of crushing and grind size;
- High Pressure Grinding Rolls (HPGR) variability testwork;
- Heavy Liquid Separation (HLS) optimising density operating parameters producing coarse spodumene and tantalum concentrates;
- Flotation operating parameters;
- Tantalum gravity testwork;
- Physical testing, settling and filtration; and
- Comprehensive mineralogical examination.

Process Design

The concentrator plant is designed to process 2Mtpa of ore feed. The nominal capacity of the concentrator is 270tph of ore at an average utilisation rate of 85%.

The flowsheet has been designed to target two distinct product streams, namely:

- Chemical Grade spodumene at 6% Li₂O and medium iron; and
- Tantalite concentrate at 30% Ta₂O₅, pre final dressing.

The concentrator has six key areas, including crushing, feed preparation, dense media separation, gravity separation, grinding, flotation, magnetic separation and dewatering. Wet magnetic separation has been included in the flotation process for the reduction of iron in both the chemical and the future technical grade product.

The DFS process flow diagram for the proposed plant design is provided below:

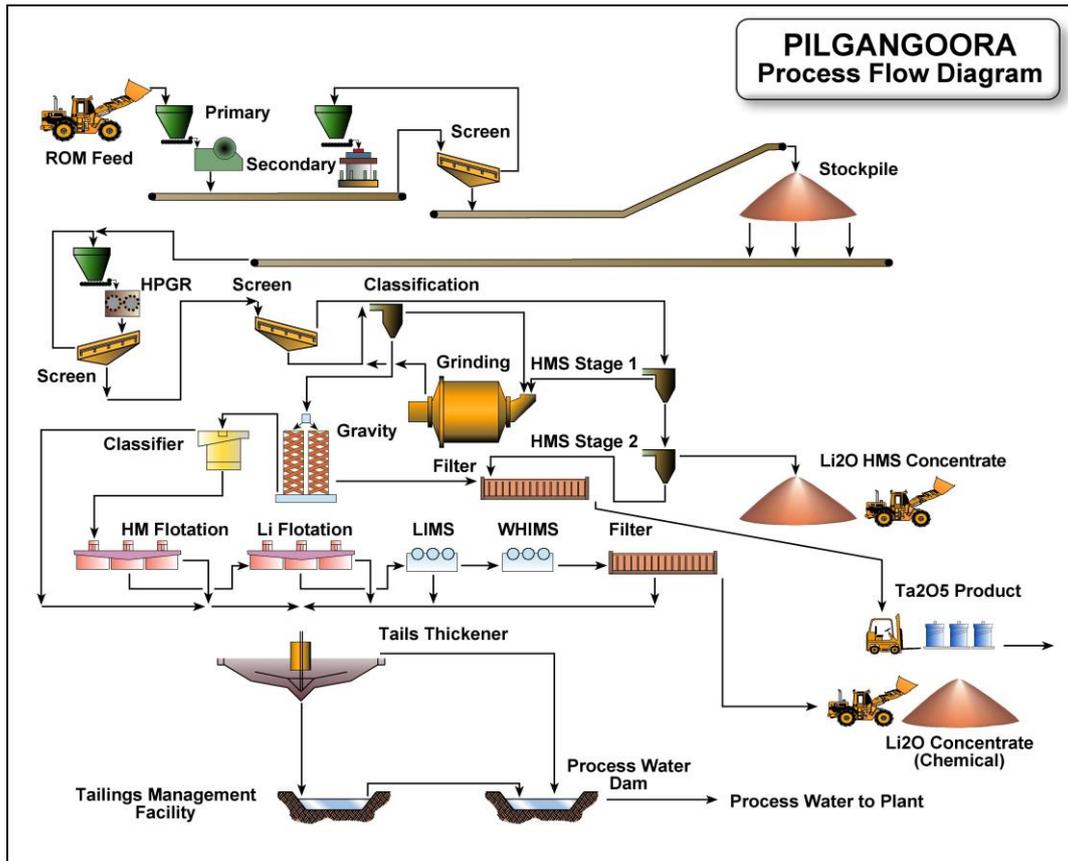


Figure 1: Process Flow Diagram

Flotation Testwork

Flotation testwork has been carried out on all the Eastern, Western and Central Domain master composites, both on whole of ore and the additional truncated feed (-0.50 mm). The flotation testwork has been comprehensive and has involved KYSKY Adelaide (Kwan Wong); SGS Minerals Perth; SGS Lakefield Canada; and Nagrom Perth.

Some 150 batch flotation tests have been conducted to date under various conditions. The flotation testwork has been extensive with the operating conditions now identified using site water. Flotation testwork is ongoing to further improve recoveries and optimise reagent consumptions beyond that already established through the DFS program.

Tantalite Gravity Testwork

A marked improvement in Tantalite recoveries at the Pilgangoora Project have been achieved during the DFS metallurgical testwork, with overall recoveries approaching approximately 60% compared to the 47% recovery used in the March 2016 PFS. Mineral Technologies in Brisbane has completed gravity recovery testwork. The objective was to produce a 30% Ta₂O₅ concentrate.

The spiral concentrate produced was then subjected to two stages of wet tabling, roughing and cleaning which produced a tantalum recovery of 69%, with the concentrate grading 31% Ta₂O₅ in a mass yield of 0.06% with respect to the feed.

The DFS tantalite testwork, engineering and design has developed processes to produce a 30% Tantalite concentrate on site, with dry secondary mineral dressing undertaken off site.

Overall Mineral Recoveries

Overall recoveries determined from the testwork program on all the three Domains are summarised below:

Domain Total Recoveries

Domain	% Li ₂ O Recovery (HMS & Flotation)	% Ta ₂ O ₅ Recovery
Central	77.7	59.3
Eastern	78.1	57.3
Western	76.0	51.0

Further flotation testwork will be undertaken over the next three months to further improve the recoveries of lithium and optimise the reagent additions beyond that already established through the DFS program. There is still considerable upside from the work completed to date.

Appointment of Project Management Consultant

Pilbara has appointed respected Project Management Consultancy (“PMC”), Engenium Pty Ltd (“Engenium”), to assist in the delivery of the Pilgangoora Lithium-Tantalum Project in Western Australia, working as part of an Integrated Owner’s Project Management Team.

Engenium was selected following a comprehensive selection process that involved a series of technical and commercial evaluations against established criteria set by the Pilbara Minerals management team.

A typical model as to how the PMC will integrate into the Pilgangoora Project is provided in Figure 2 below:

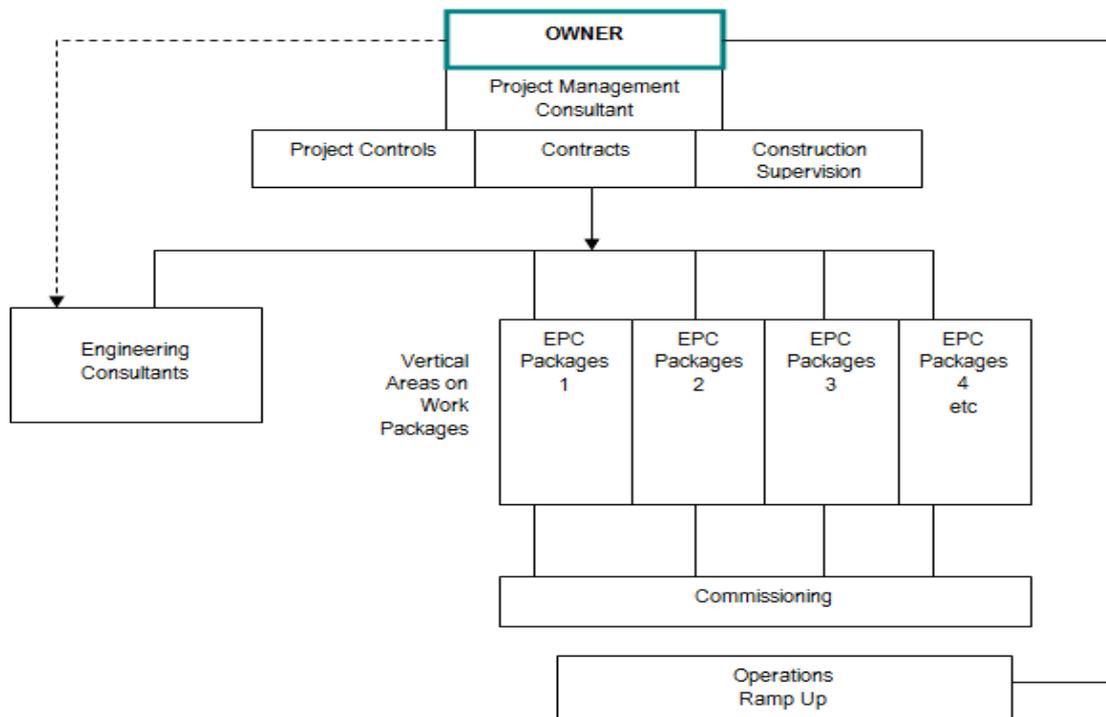


Figure 2: Project Organisation Model

Early Contractor Involvement (ECI) for Process Plant

Reflecting the very high level of interest in the Pilgangoora Project, a total of nine groups expressed interest in participating in the ECI process, all of which were required to demonstrate direct experience in lithium plant engineering and construction, as well as a series of other key criteria established and agreed within Pilbara Minerals as part of the overall assessment assisted by well-respected and industry recognised Project Management firm, Enthalpy Pty Ltd.

The three short-listed groups which will now be invited into the competitive ECI phase for the Process Plant EPC Package are:

- Como Engineers / Ausenco;
- RCR Tomlinson / Primero Group / Minnovo; and
- Kiewit Australia / Hatch.

The ECI process was officially kick-off in early September and is due for completion by the end of November. At that time, firm EPC bids (inclusive of a fixed price) for the process plant will be finalised with a structured commercial EPC agreement.

Order of Long Lead Items

Pilbara has commenced securing a number of key long-lead items required for the Pilgangoora Project development.

To support its fast-track development strategy, the Company's development team has been working on a number of fronts to ensure that appropriate infrastructure, access and logistics support are in place at Pilgangoora to allow the major construction works to commence as soon as project finance has been secured.

As part of this process, the Company has placed an order for a High Pressure Grinding Rolls (HPGR) crusher, which represents a key component of the proposed processing flowsheet for the Pilgangoora treatment facility.

Pilbara Minerals' Board has also approved the order of two additional long-lead items required for the Pilgangoora Processing Plant – a Ball Mill and Spodumene Concentrate Filter. It is expected that orders for these items will be placed shortly.

The order of these long-lead items will put the Company on track to achieve its targeted schedule of commencing commissioning from late 2017.

Project Approvals

After completion of all environmental surveys required for the DFS and project permitting, Pilbara submitted the Works Approval and the Native Vegetation Clearing Permit during October. It is anticipated that the Company's Mining Proposal will be submitted in the coming weeks and the Company expects to have all project approvals in place early in the new year, which facilitates and is key for the aggressive timeline for commissioning at the end of 2017. Early works are proposed to commence under interim project approvals.

Significant Environmental Services has been a key consultant for management of all environmental surveys, input into the DFS and approvals documentation preparation.

Sterilisation and Strategic Development Drilling

A new phase of sterilisation and strategic development and resource extension drilling commenced at Pilgangoora during the September quarterly period, with results for the first 22 Reverse Circulation (RC) drill holes reported subsequent to the end of the reporting period.

Drilling is targeting extensions to known near-surface pegmatites that have the potential to add material tonnes to the existing resource base and assist with final pit designs, as well as sterilisation drilling to define final locations for key site infrastructure including waste dumps.

Recent drilling at both the Far East and South End pegmatites has continued to identify significant thick zones of high-grade mineralisation well beyond the current resource boundaries at the Central Pegmatite. Results from the Far East zone have now defined lithium mineralisation in a single pegmatite which extends over 1km and drilling at South End has indicated that the mineralisation continues to the south with a thick zone of up to 26m width.

The Far East Pegmatite Zone (previously referred to as the South Eastern Pegmatite) was discovered in July 2016 and is located along the eastern flank of the main resource area at Pilgangoora, approximately 300m from the proposed Central Pit (see Figure 3).

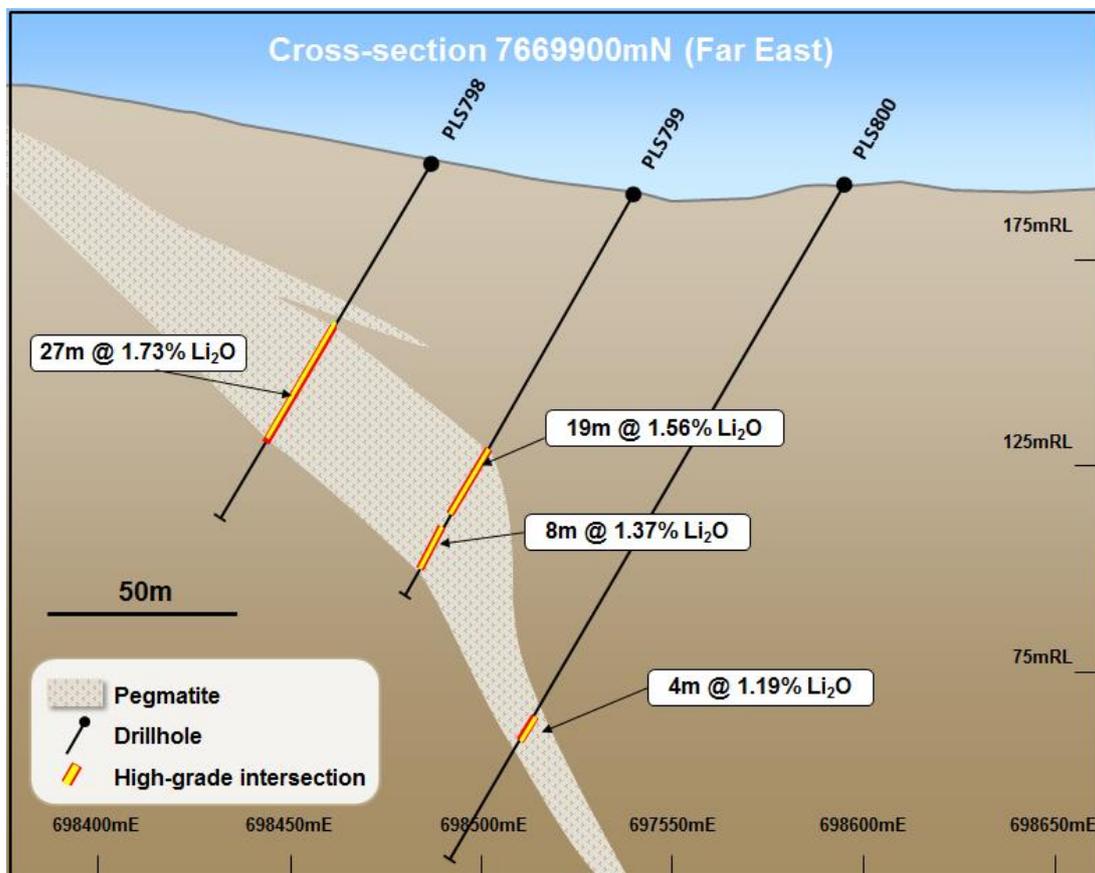


Figure 3: New RC Drilling, Far East Pegmatite, EL45/2232 & M45/333

The Far East Zone has minimal surface outcrop exposed over 200m, but drilling has revealed a continuous pegmatite measuring over 1km in length (4m-27m width), with high-grade zones of mineralisation. This zone remains open to the north (see Figure 4).

Significant intersections from the Far East Pegmatite Zone include:

- **27m @ 1.73% from 47m (PLS798);**
- 19m @ 1.56% Li_2O from 75m (PLS799);
- 8m @ 1.37% Li_2O from 97m;
- **22m @ 1.89% Li_2O from 44m (PLS801);**
- 19m @ 1.85% Li_2O and 104ppm Ta_2O_5 from 87m (PLS802);
- 9m @ 1.71% Li_2O from 140m (PLS803A);
- 9m @ 1.63% Li_2O from 81m (PLS813);

- 9m @ 1.36% Li₂O from 183m (PLS814);
- **14m @ 2.14% Li₂O from 42m (PLS827);**
- 19m @ 1.53% Li₂O from 82m (PLS913);
- 18m @ 1.28% Li₂O from 79m (PLS944);
- 7m @ 1.38% Li₂O from 100m; and
- 13m @ 1.41% Li₂O and 108ppm Ta₂O₅ from 133m (PLS945).

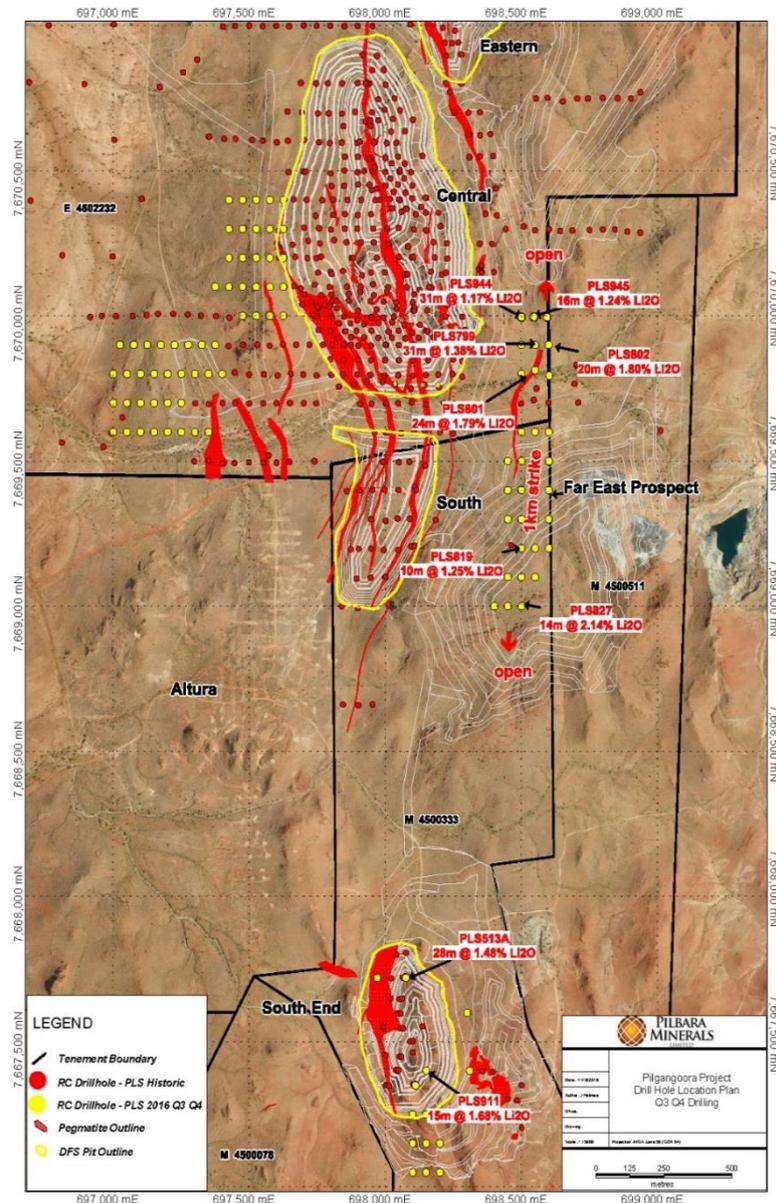


Figure 4: 1:5000 scale – Far East Drilling and South End Extension RC Drill Collars, with significant intercepts >0.5% Li₂O

At the South End Pit area, which forms part of the proposed mining area outlined in the September 2016 DFS (see Figure 4), results have been received for the first 4 holes of the resource extension drilling program. This drilling has returned significant widths of lithium mineralisation including 26m @ 1.53% Li₂O from 34m from PLS513A and 13m @ 1.79% Li₂O from 121m from PLS911. This pegmatite zone remains open to the south.

Based on these latest results from the resource extension drilling, the current Mineral Resource for South End will be remodelled and alterations will be required to the final pit design and waste dump location.

To date 69 holes have been completed for 8,230m, with approximately 4,000m of drilling remaining under the original drilling program. Two RC drilling rigs are currently on site, and it is anticipated that the RC program will be extended by a further 2,000m to facilitate additional resource extension drilling at the Southern Pegmatite system, immediately east of Altura Mining Limited's (ASX: AJM) resource area.

A number of thick, high-grade intersections released by Altura have highlighted the potential for an extension of Altura's resource onto Pilbara's M45/511 tenement (see page 9 of Altura's ASX Release: "Revised Mineral Resource and Ore Reserve Estimates", 22nd September 2016). Pilbara has recently signed a co-operation agreement with Altura Mining (see below) formalising a framework for ongoing co-operation between the two companies. Part of this agreement is a Memorandum of Understanding (MOU) to jointly evaluate the potential to expand or jointly exploit the pegmatite system that is shared across the tenement boundaries.

Further drilling will also be required to define extensions to the new Far East Pegmatite Zone, which remains open both to the north and south.

Cooperation Agreement with Altura Mining

Pilbara has signed two agreements with Altura Mining Limited (ASX: AJM – "Altura"), formalising a framework for ongoing cooperation between the two companies in the development of their adjoining lithium-tantalum deposits.

Altura's deposit immediately adjoins the Pilgangoora Project to the south-west and the proximity of the two projects offers numerous opportunities to unlock logistical, operational and strategic synergies with the potential to deliver benefits to both companies.

Pilbara and Altura's exploration and development teams have already been cooperating at an operational level for some time, with the agreements signed during the reporting period formalising this already strong working relationship – supporting each company's strategy to advance their respective projects towards production as rapidly as possible.

A Joint Access Agreement provides for Pilbara and Altura to mutually remove any objections to tenure applications made by either company and for sharing of site access roads and pipeline locations, with the distribution of costs incurred proportionately. This access agreement will assist Pilbara in its strategy to fast-track the development of its Pilgangoora Lithium-Tantalum Project.

Pilbara and Altura have also executed a non-binding Memorandum of Understanding (MOU) to establish a framework to jointly evaluate the potential to expand or jointly exploit the lithium-rich pegmatite zones which have now been established as crossing the tenement boundaries between the two projects.

This potential has been confirmed by resource/reserve drilling programs conducted by both companies, in conjunction with sterilisation drilling at planned infrastructure locations on both sides of the tenement boundaries.

This work has delineated a series of mineralised pegmatites which cross the tenement boundaries and offer the potential to expand and/or further optimise the reserve inventories and mining schedules currently being developed independently by Pilbara and Altura.

CORPORATE

ACQUISITION OF LYNAS FIND LITHIUM PROJECT

Subsequent to the end of the September Quarter, Pilbara further strengthened its dominant position in the Pilgangoora district, entering into a binding agreement with Dakota Minerals (ASX: DKO) to acquire 100% of the adjoining Lynas Find Lithium Project.

Under the agreement, Pilbara will acquire the core Lynas Find granted tenements package, which includes a maiden Indicated and Inferred Mineral Resource of **7.3Mt @ 1.25% Li₂O, 85ppm Ta₂O₅ and 0.99% Fe₂O₃** (see *Dakota ASX Release, 5 October 2016*), for A\$4 million. An additional \$1 million payment will be made by Pilbara on the granting of a term extension on one of these core tenements.

Pilbara has also agreed to pay Dakota Minerals a further \$750,000 for each of an additional four Pilgangoora exploration tenements which are currently under application. These payments will be triggered by the successful grant and transfer of these tenements to Pilbara in the following 12 months. At Pilbara's election, these amounts can be funded by cash or by issuing Dakota with fully paid ordinary shares in the Company.

BOARD & SENIOR MANAGEMENT CHANGES

During the Quarter, Pilbara announced further changes to its Board and senior management team, as part of further building the Company's expertise and experience moving towards development of the Pilgangoora project.

The Company's founding Executive Director, Mr Neil Biddle, stepped down from his role as an Executive Director with effect from 20 August 2016. Mr Biddle will remain on the board as a non-executive Director and will continue to provide significant strategic input and advice to the Company. He also remains a significant shareholder in the Company.

The Company also appointed experienced commercial lawyer and corporate executive Mr Alex Eastwood as General Counsel. Mr Eastwood also be assumed the role of Company Secretary from the end of August, replacing Mr Alan Boys who has held the position of Company Secretary since 2014.

CASH BALANCE

The Company had a cash balance of \$94.2M as at 30 September 2016.

More Information:

ABOUT PILBARA MINERALS

Pilbara Minerals ("Pilbara" – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration and development of the specialty metals Lithium and Tantalum. Pilbara owns 100% of the world class Pilgangoora Lithium-Tantalum project which is the second largest Spodumene (Lithium Aluminium Silicate) project in the world. Pilgangoora is also one of the largest pegmatite hosted Tantalite resources in the world and Pilbara proposes to produce Tantalite as a by-product of its Spodumene production.

ABOUT LITHIUM

Lithium is a soft silvery white metal which is highly reactive and does not occur in nature in its elemental form. It has the highest electrochemical potential of all metals, a key property in its role in Lithium-ion batteries. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. A key growth area is its use in lithium batteries as a power source for a wide range of applications including consumer electronics, power station-domestic-industrial storage, electric vehicles, power tools and almost every application where electricity is currently supplied by fossil fuels.

ABOUT TANTALUM

The Tantalum market is boutique in size with around 1,300 tonnes required each year. Its primary use is in capacitors for consumer electronics, particularly where long battery life and high performance is required such as smart phones, tablets and laptops.

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COMPETENT PERSON'S STATEMENT

The Company confirms it is not aware of any new information or data that materially affects the information included in the 11 July 2016 Pilgangoora Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 11 July 2016.

The Company confirms it is not aware of any new information or data that materially affects the information included in the 22 August 2016 Pilgangoora Ore Reserve Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its reserve announcement made on 22 August 2016.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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

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