



ASX/Media Announcement

27 February 2018

PILGANGOORA UPDATE: EXCELLENT PROGRESS WITH STAGE 1 CONSTRUCTION AND DEVELOPMENT AND DSO OPERATION

First spodumene concentrate on track for late Q2 with Stage 1 plant construction and mine development advancing rapidly; establishment of DSO operation underway with first sales expected early Q2

Highlights

- Plant construction progressing rapidly on multiple fronts.
- Civil works well advanced with over 3,800m³ of concrete poured.
- Structural steel erection commenced in January with over 1,100 tonnes of plant steel (~60% of the total) now landed on site.
- Mill shell, trunnions, bearings and drive components installed into position.
- Wet plant commissioning on schedule to start in early Q2.
- Activities for operational readiness progressing in earnest, including employment of key plant operations staff and ordering of key plant consumables.
- Mining well underway for both Stage 1 and the DSO operations.

Australian lithium developer Pilbara Minerals Limited (ASX: PLS) ("Pilbara" or "the Company") is pleased to advise that construction and development of its flagship 100%-owned Pilgangoora Lithium-Tantalum Project ("Pilgangoora Project" or "Project") is progressing well and remains on schedule to commence plant commissioning in Q2 2018 and deliver its first spodumene concentrate by late Q2 2018.

Civil works are well established with over 3,800m³ of concrete poured to date. The concrete foundations are now largely complete for priority mechanical areas. Completed areas include: high-pressure grinding rolls (HPGR) vault, wet screen area, heavy media separation (HMS) building, gravity grinding, and concentrate storage infrastructure areas.

The crusher pad was recently completed with crusher construction underway, and construction of the tailings storage facility is also progressing well.

Construction of the power plant is rapidly taking shape and forecast to be delivered on-schedule by mid-March.

First structural steel was erected in late January, with the plant structure now rapidly taking shape. The mill structure is 50% complete with shell, trunnions, bearings and drive components recently installed.

To date, over 1,100 tonnes of structural steel have been delivered to site, with over 350,000 site man-hours completed and over 450 people currently on site. Works are continuing on night-shift for certain subsets of the plant construction. Manning will peak over the coming 6 to 8 weeks at over 600 people, in support of the accelerated development schedule negotiated with RCR in the latter part of 2017.

In addition to Stage 1 construction efforts, MACA Mining Ltd has mobilised the mining fleet for Direct Shipping Ore (DSO) operations, with the first blast undertaken in late January and mining activities currently progressing to achieve first sales early Q2.

Activities for operational readiness are also progressing including ordering of key plant consumables, employment of plant operations staff and maintenance planning.

The commissioning plans are being further refined with the intention of prioritising the fines flotation circuit over the coarse circuit. It is expected that this will assist in speeding up the ramp-up of the processing plant and provide higher early production volumes.

Pilbara Minerals' Managing Director and CEO, Ken Brinsden, said:

"It's fantastic to see the Stage 1 development and DSO operation coming to life so quickly. The Pilbara Minerals team has been working closely with our contracting partners to ensure that we achieve our aggressive development targets while continuing to maintain a safe site at all times.

"I am excited to see the changes as the project rapidly transforms and we march towards first concentrate production late next quarter."

PROGRESS PHOTOS



Figure 1 – Pilgangoora process plant construction



Figure 2 – Power station generator installation



Figure 3 – Ball mill construction



Figure 4 – Tails thickener installation



Figure 5 – Spodumene concentrate shed under construction



Figure 6 – Direct Shipping Ore operation mining establishment works



Figure 7 – First blast of central pit on 30 November 2017



Figure 8 – Central pit mining pre-strip (foreground) and Pilgangoora plant site (background). Photo taken 20 February 2018.

Additional Information:

ABOUT PILBARA MINERALS LIMITED

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

ABOUT LITHIUM

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

ABOUT TANTALUM

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

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