



ASX/Media Announcement

7 September 2017

PILBARA AWARDS OPEN PIT MINING CONTRACT FOR PILGANGOORA LITHIUM-TANTALUM PROJECT TO MACA

Open pit mining set to commence in Q4 2017 with ramp-up to 2Mtpa ore feed rate, ensuring Pilbara remains on track to achieve its goal of first shipment in Q2 2018

Australian lithium developer Pilbara Minerals Limited (ASX: PLS) is pleased to announce the award of the open pit mining contract for the development of its 100%-owned **Pilgangoora Lithium-Tantalum Project** in Western Australia to the leading integrated mining services contractor MACA Limited (ASX: MLD) through its subsidiary MACA Mining Pty Ltd.

With an initial term for mining services of two years, plus three 1 year options for Pilbara Minerals to extend, the contract is a key operational contract for the Pilgangoora Project and its award follows the completion of a competitive tender process and extensive due diligence process examining safety, experience and capabilities.

The contract, which includes provision of drill & blast and load & haul services, is based on a mining rate of approximately 8Mtpa for the production of 2Mtpa of ore to meet the ore feed requirements of the Stage 1 project development.

All components of the contract are in line with the key parameters of the Stage 1 Pilgangoora Project as outlined in the September 2016 Definitive Feasibility Study. The mining method is based on conventional open pit mining using truck and hydraulic excavator operations.

Mobilisation and establishment on site will commence shortly, with pre-stripping of the main Pilgangoora deposit expected to commence in November 2017.

Mining activities will progressively ramp-up through the rest of 2017 and into the New Year, in order to meet the Company's expected timetable of commencing shipments of spodumene concentrate to its customer base in China during the second quarter of 2018.

MACA is an ASX publicly listed, integrated mining services contractor with operations spanning Australia and South America. Key current open pit mining contracts in Western Australia include Ramelius Resources' Mount Magnet gold mine, Regis Resources' Rosemont, Garden Well and Moolart Well operations and Atlas Iron's Abydos DSO Project.

The award of the Stage 1 open pit mining contract follows the award of other key contracts for bulk civil earthworks, camp expansion and camp services in July and continues with the theme of integrating Njamal Services (the commercial arm of the Njamal Native Title group) into the works at Pilgangoora. Additional key construction and infrastructure contracts are expected to be announced in the coming weeks.

Pilbara Minerals Managing Director, Ken Brinsden said the award of the open pit mining contract was a key milestone for the Pilgangoora Project, as site-based activities continued to ramp-up on several fronts.

"The site is already a hive of activity, and this will only continue to increase in the coming weeks following the award of this pivotal contract as the MACA mining team begin to mobilise to site," he said.

"MACA has vast experience working in the Pilbara region and they are a perfect fit with our organisation. This contract will employ around 70 personnel and will require the mobilisation of an extensive mining fleet comprising two hydraulic excavators, seven large capacity haulage trucks, drill rigs and numerous items of support equipment.

"We are looking forward to working closely with MACA over the coming years in the execution of this key contract and growing the subcontract and work opportunities for the Njamal people at the Pilgangoora Project."

Pilbara Minerals Limited



ADDITIONAL 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 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, particularly where long battery life and high performance is required such as smart phones, tablets and laptops.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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

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

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