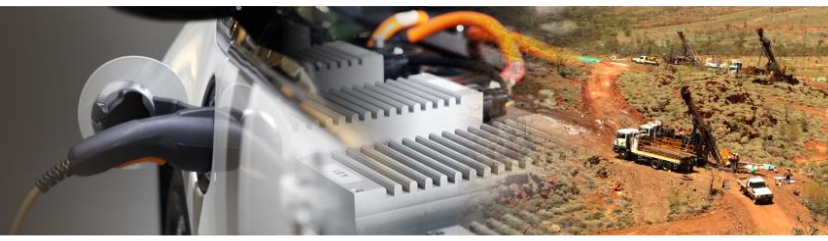

ASX/Media Announcement **28 October 2016**

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PILBARA TO PURCHASE ROY HILL RAIL CAMP 3

Australian lithium developer, Pilbara Minerals Limited (ASX: PLS) ("**PLS**" or "the **Company"**), is pleased to advise that it has entered into an agreement for the purchase of Roy Hill's Rail Camp 3 at a cost competitive price, providing a significant capital saving for the Pilgangoora Project compared to current replacement costs. The camp is currently located approximately 90 kilometres by road south of its 100%-owned **Pilgangoora Lithium-Tantalum Project,** located near Port Hedland in WA.

The Roy Hill Camp 3 presented an ideal opportunity for Pilbara once it became surplus to Roy Hill's requirements following the completion of construction of its railway line from Roy Hill to Port Hedland. The 300-person camp facility is of a high standard and comes complete with all modern amenities including a gym, recreation, and wet mess.

Figure 1 – Roy Hill Rail Camp

The purchase of the Camp presents an opportunity to establish a rapid site presence which will facilitate early works designed to support the Company's fast-track development strategy for the Pilgangoora Project. The camp will be relocated in two stages, the first stage consisting of the relocation of 56 rooms and amenities including the kitchen, dining, administration offices and laundry. The second stage will see the remaining rooms relocated to establish a 300-room camp.

Planning for the camp relocation to the Pilgangoora Project is in place with a Scope of Work soon to be issued to selected Contractors. The relocation will commence as soon as reasonably practical with the objective of having the Camp fully commissioned by the end of April 2017.

Pilbara would like to thank the Roy Hill team for completing the agreement for the camp in an open and co-operative manner. This is a positive milestone for the Pilgangoora Project and marks another step towards the development of one of the more significant new resource projects in Western Australia.

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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