



ASX Announcement

26 November 2014

COMPANY DETAILS

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ASX CODE: CXB

CORPORATE INFORMATION

(25 November 2014)
85M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

Eduardo Valenzuela
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(Managing Director)

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COBRE MONTANA & PILBARA MINERALS SIGN MOU TO TEST BATTERY-GRADE LITHIUM CARBONATE POTENTIAL OF PILGANGOORA PROJECT, WA

HIGHLIGHTS

- Cobre Montana signs MoU with Pilbara Minerals (PLS) to evaluate the potential to produce battery-grade lithium carbonate from PLS's Pilgangoora project near Port Hedland in Western Australia
- MOU follows Cobre Montana's recent 25 year exclusive licensing agreement over only known technology able to produce lithium from WA's deposits
- Agreement covers a six month test program by Cobre Montana of Pilgangoora's lepidolite style mica mineralisation as a lithium-focused base feedstock

SUMMARY

Cobre Montana Limited (ASX "CXB" and Pilbara Minerals Limited (ASX: "PLS" have executed a Memorandum of Understanding (MoU) to test the lepidolite potential of PLS's Pilgangoora project southeast of Port Hedland in Western Australia, to produce high grade lithium carbonate for use in advanced hi-tech batteries.

The centerpiece to the MOU will be a six month study by Cobre Montana of the Pilgangoora deposit leading at the end of that period, to an anticipated presentation of a commercial development proposal by Cobre to Pilbara Minerals.

The terms of the agreement will see Cobre Montana include in its report, the ways in which the combined expertise of both companies can be optimized to enable more complete exploitation of Pilgangoora's lepidolite mineralized areas as feed to produce lithium carbonate for the rapidly expanding global lithium battery industry.

Lepidolite is one of the most common lithium minerals. It is a lilac-gray or rose coloured mica which is a secondary source of lithium. The only practical means of recovering lithium from lepidolite was developed by Perth-based Strategic Metallurgy P/L and is subject of exclusive licensing to Cobre Montana.

Cobre Montana's test work program will include field inspections, data using past resource calculations, results from Pilbara Minerals' current 10,000m drilling campaign (PLS announcement 6 November 2014) and laboratory work to confirm the suitability of Pilgangoora lepidolite as a source for battery-grade lithium carbonate.

The MOU with Pilbara Minerals is the second major advance in a month for Perth-based Cobre Montana's aspirations to become a lithium developer.

The Company announced earlier this month (CXB announcement 11 November 2014) that it had secured exclusive licensing rights to the only practical technology for extracting lithium from micas. The licensing rights will extend for up to 25 years, giving Cobre Montana a competitive edge with respect to processing such materials.

Cobre Montana Managing Director, Mr Adrian Griffin, said today that securing the access to processing technology had proven the catalyst for the Company and Pilbara Minerals to advance assessment work on the Pilgangoora project, located near Port Hedland in WA.

Pilbara Minerals controls significant resources of lithium within the Pilgangoora project. The lithium ore is hosted 150 km south-east of Port Hedland, in the Pilbara region of Western Australia (Figure 1).



Figure 1 Location of the Pilgangoora lithium project

The project hosts a JORC 2012 Inferred Resource of 8.6M tonnes @ 1.01% Li₂O for 87,000 tonnes of lithium (PLS announcement 17 June 2014). The Pilgangoora pegmatite field was discovered in 1905 and contains swarms of lepidolite-spodumene bearing pegmatites(Jacobson et al, 2007*) outcrop of which is shown in Figure 2. Pegmatites are coarse-grained intrusive dykes and sills of granitic affinity.

The project is located immediately north of and along strike from Altura Mining Limited's (ASX: AJM) Pilgangoora lithium deposit, which has a JORC Resource of 25.2Mt @ 1.23% Li₂O (AJM announcement 3 October 2014).

Mr Griffin said "Pilbara Minerals and Cobre Montana recognised the significant opportunity that presents itself at Pilgangoora by combining:

- The economic advantage of exploiting both tantalum and lepidolite simultaneously
- The complementary experience of PLS and CXB, and
- The benefits of the exclusive licence rights with identified resources, to expedite potential commercialisation opportunities."

*Jacobson M.I., Calderwood M.A., and Grguric B.A., 2007. Guide Book to the Pegmatites of Western Australia. P 23-30

