



PILBARA MINERALS LIMITED

ACN 112-425-788

ASX ANNOUNCEMENT

26 November, 2014

PILBARA TEAMS UP WITH COBRE MONTANA TO EVALUATE LITHIUM CARBONATE POTENTIAL AT PILGANGOORA

SIGNS MOU WITH ASX-LISTED LITHIUM DEVELOPER TO ASSESS EXTENSIVE LEPIDOLITE POTENTIAL AT PILGANGOORA

HIGHLIGHTS:

- **Cobre Montana to evaluate the potential to apply its proprietary lithium extraction technology to the extensive lepidolite mineralisation at Pilbara's Pilgangoora Tantalum-Lithium Project.**
- **Studies will focus on the potential to produce battery-grade lithium carbonate, which is in high demand from the rapidly growing high-tech battery industry.**
- **Agreement covers a six-month test program by Cobre Montana of Pilgangoora's lepidolite-style mica mineralisation as a lithium-focused base feedstock.**
- **If successful, this could be a valuable and complementary addition to a future mining and processing operation based on the primary Pilgangoora lithium-tantalum deposit, where PLS is in the midst of a major resource in-fill and extensional drilling program.**

Australian strategic metals company Pilbara Minerals Ltd (ASX: PLS) is pleased to announce that it has signed a Memorandum of Understanding (MOU) with lithium development company Cobre Montana Limited (ASX: CXB) to evaluate the potential to produce high-grade lithium carbonate from the extensive lepidolite mineralisation at its 100%-owned **Pilgangoora Lithium-Tantalum Project** in the Pilbara region of Western Australia.

Lepidolite is a lilac-grey or rose coloured mica style mineral which has limited commercial value apart from as a gemstone. It is one of three types of lithium present at the Pilgangoora Project which are currently being evaluated for commercial extraction by Pilbara.

Pilgangoora is believed to host a large occurrences of lepidolite, although this has never been formally quantified and is not included in the primary lithium-tantalum resource at Pilgangoora reported earlier this year.

Cobre Montana has recently secured a 25-year exclusive licensing agreement over the only known practical technology for extracting lithium from mica deposits.

Under the terms of the MOU, Cobre Montana will undertake a six-month study of the lepidolite mineralised areas at Pilgangoora to assess the potential to apply this technology to produce battery-grade lithium carbonate. It is expected that Cobre Montana will present a commercial development proposal to Pilbara at the end of that period.

Cobre Montana's test work program will include field inspections, data using past resource calculations, and results from Pilbara's current 10,000m drilling campaign, as well as laboratory work.

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Pilbara recently commenced a major in-fill and extensional drilling program at Pilgangoora. This program is designed to in-fill areas of the existing JORC 2012 compliant Inferred Resource with the objective of increasing confidence in the resource and upgrading the resource category to Indicated. The remainder of the program (approximately 50%) has been designed to test extensions of the mineralised pegmatite along strike to the north and south of the current resource.

The current Pilgangoora Inferred Resource totals 10.4M tonnes @ 0.024% Ta₂O₅ for 5,500,000lbs Ta₂O₅, including 8.6M tonnes @ 1.01% Li₂O for 87,000 tonnes of lithium. Pilbara's resource is located immediately north of and along strike from Altura Mining Limited (ASX: AJM) Pilgangoora lithium deposit, which has a JORC resource of 25.2Mt grading 1.23% Li₂O.

The lepidolite is contained within coarse grained intrusive rocks known as pegmatites, which outcrop extensively through the area.

Pilbara CEO and Executive Director, Mr Neil Biddle, said the agreement with Cobre Montana represented an opportunity to work with a specialist lithium development company to extract value from the extensive zones of lepidolite mineralisation at Pilgangoora.

"While lepidolite mineralisation is widespread across our tenement holdings, until now it has been viewed as having limited commercial value for the Company," Mr Biddle said. "However, the application of Cobre Montana's proprietary technology to produce lithium carbonate from mica ores could very quickly change that, turning this vast resource into a valuable and complementary addition to our primary lithium-tantalum business.

"This is a great opportunity which could unlock substantial value for both companies, and we are pleased to be working alongside the team at Cobre Montana to explore this opportunity," he added. "Demand for lithium carbonate in the high-tech battery sector is growing rapidly, driven by environmental and economic factors, and this is a tremendous market segment for Pilbara to be involved with.

"The broader Pilgangoora area could well host one of the largest strategic metals resources in the world, and we are currently working hard to unlock this value for our shareholders, both through the ongoing drilling program targeting our primary lithium-tantalum deposit and through collaborative opportunities such as this," Mr Biddle added.

What is Lithium?

Lithium (Li) is recovered from mineral spodumene and lithium rich brines. It is used in a range of products such as ceramics, glass, batteries and pharmaceuticals. Lithium use has expanded significantly in recent years due to increasing use in rechargeable batteries in portable electronic devices as well as in batteries and electric motors for hybrid cars.

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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 June 17, 2013 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 maiden resource announcement made on June 17, 2013.

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr John Young (Executive and Chief Geologist of Pilbara Minerals Limited). Mr Young is a shareholder of Pilbara Minerals. Mr Young is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Young consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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