



ASX/Media Announcement

19 September 2016

Further Update on Right of First Refusal

Pilbara Minerals Limited (ASX: PLS) ("**PLS**" or "**the Company**") advises that it has received a notice from Mineral Resources Limited (ASX:MIN) ("**Mineral Resources**") alleging that the Company's new sale notice (refer to ASX announcement dated 15 September 2016) does not comply with the Pilgangoora Asset Sale Agreement.

The sale notice was issued to Mineral Resources in accordance with the Company's obligations under a first right of refusal in the Pilgangoora Asset Sale Agreement. Pilbara Minerals has legal advice from Senior Counsel and its lawyers regarding the preparation of the sale notice and took considerable effort to ensure that the sale notice was validly issued and compliant.

Mineral Resources has 45 days from 15 September 2016 (31 October 2016) in which to either exercise or not exercise its right to purchase the Company's lithium product on no less favourable terms than those offered by General Lithium.

The Company considers the notice issued by Mineral Resources is without merit. In accordance with the provisions of the Pilgangoora Asset Sale Agreement, the Company intends to seek an expert determination to have the matter resolved promptly.

The Company also wishes to clarify recent speculation about the status of its agreements with General Lithium. General Lithium has recently confirmed its intention to meet its obligations by entering into an amended agreement (refer ASX announcement dated 15 September 2016) which includes its offtake commitment and equity subscription in the Company subject to the offtake becoming unconditional and receipt of FIRB approvals (if required) and regulatory approvals in China.

Contacts:

Investors / Shareholders

Anthony Kiernan
Chairman
Ph. +61 (0)8 9336 6267

Media

Nicholas Read
Read Corporate
Ph. +61 (0)8 9388 1474