



ASX/Media Announcement

18 October 2016

UPDATE ON RIGHT OF FIRST REFUSAL

Pilbara Minerals Limited (ASX:PLS) (“**PLS**” or “the **Company**”) wishes to advise that its application to the Supreme Court of Western Australia seeking orders for a stay of the court proceedings commenced by Mineral Resources Limited (“**MIN**”) has been successful.

The consequence of these orders is that the dispute between the parties over the validity of PLS’s sale notice will now be heard and resolved before an independent expert in accordance with the contractually agreed terms of the Pilgangoora Asset Sale Agreement.

The Company also wishes to advise that an independent expert has been appointed to resolve the dispute. Both parties are in the process of providing their written submissions to the expert and PLS expects that a final and binding determination will be made by the expert by no later than Monday, 24 October 2016.

Should the expert determine that the Company’s sale notice is valid, as previously advised, MIN will have until 31 October 2016 to make an election as to whether it wishes to purchase PLS’s product on no less favourable terms than those offered by General Lithium, or take a 2.5% royalty. In either scenario (that is, whether the sale of spodumene concentrate is to General Lithium or MIN), PLS should achieve a no less favourable economic outcome.

The Company will continue to update the market on any further material developments.

Contacts:

Investors / Shareholders

Ken Brinsden
Chief Executive Officer, Managing Director
Ph. +61 (0)8 9336 6267

Media

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