PILBARA MINERALS LIMITED
ACN 112 425 788

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Unit 2, 4-6 Doepel Street, North Fremantle, Western Australia on 4 November 2013 at 10am (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 0400 007 900

PILBARA MINERALS LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Pilbara Minerals Limited (**Company**) will be held at Unit 2, 4-6 Doepel Street, North Fremantle, Western Australia on 4 November 2013 at 10am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 2 November 2013 at 10am.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Ratification of Tranche 1 Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,141,643 Shares (**Tranche 1 Shares**) to sophisticated and professional investors on the terms and conditions in the Explanatory Memorandum.*"

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the Tranche 1 Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of that person:

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of issue of Tranche 2 Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 9,658,356 Shares (**Tranche 2 Shares**) to sophisticated and professional investors on the terms and conditions in the Explanatory Memorandum.*"

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Tranche 2 Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of Directors' participation in Tranche 2 Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, conditional on Resolution 2 being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 5,000,000 Shares to Mr Neil Biddle (or his nominee) and 5,000,000 Shares to Mr Tony Leibowitz (or his nominee) as part of the Tranche 2 Placement on the terms and conditions in the Explanatory Memorandum.*"

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Biddle or his nominee, and Mr Leibowitz or his nominee, and any associates of such a person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of Additional Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 30,000,000 Shares (**Additional Placement Shares**) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Additional Placement Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of issue of Shares to advisors

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,300,000 Shares to its advisors (or their nominees) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Approval to issue Shares to Mr Neil Biddle

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E and for all other purposes, Shareholders approve the issue of Shares to Mr Neil Biddle (or his nominee) in lieu of $9,900 worth of directors' fees on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Biddle or his nominee, and any associates of such a person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

(b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. Resolution 7 – Approval to issue Shares to Mr Tony Leibowitz

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E and for all other purposes, Shareholders approve the issue of Shares to Mr Tony Leibowitz (or his nominee) in lieu of $9,900 worth of directors' fees on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Liebowitz or his nominee, and any associates of such a person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

(b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. Resolution 8 – Approval to issue Shares to Mr Robert Adamson

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E and for all other purposes, Shareholders approve the issue of Shares to Mr Robert Adamson (or his nominee) in lieu of $16,500 worth of directors' fees on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Adamson or his nominee, and any associates of such a person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

(b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

9. Resolution 9 – Section 195 Approval

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"*That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice.*"

BY ORDER OF THE BOARD

Zane Lewis
Company Secretary
Dated: 26 September 2013

PILBARA MINERALS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 2, 4-6 Doepel Street, North Fremantle, Western Australia on 4 November 2013 at 10am (WST) (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 – Ratification of Tranche 1 Placement
Section 4:	Resolution 2 – Approval of issue of Tranche 2 Shares
Section 5:	Resolution 3 – Approval of Directors' participation in Tranche 2 Placement
Section 6:	Resolution 4 – Approval of Additional Placement Facility
Section 7:	Resolution 5 – Approval of issue of Shares to advisors
Section 8:	Resolutions 6 to 8 (inclusive) – Approval to issue Shares to Directors
Section 9:	Resolution 9 – Section 195 Approval

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

3. Resolution 1 – Ratification of Tranche 1 Placement

3.1 General

On 31 July 2013 the Company announced that it was undertaking a placement to raise $488,000 (before costs) through the issue of 48,800,000 Shares at $0.01 per Share.

The placement is being undertaken in two tranches:

(a) the first tranche (**Tranche 1 Placement**) has raised $291,416.43 (before costs) through the issue of 29,141,643 Shares (**Tranche 1 Shares**); and

(b) the second tranche (**Tranche 2 Placement**) will raise $196,583.56 (before costs) through the issue of 19,658,356 Shares.

The Tranche 1 Placement has completed. The Tranche 1 Shares were issued under the Company's 15% placement capacity without the need for Shareholder approval.

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Tranche 1 Shares pursuant to Listing Rule 7.4.

3.2 Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 1 by ratifying the issue of the Tranche 1 Shares will be to restore the Company’s ability to issue further securities, to the extent of 29,191,643 securities, during the next 12 months.

Resolution 1 is an ordinary resolution.

3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Shares:

(a) 29,141,643 Shares were issued under the Tranche 1 Placement.

(b) The Tranche 1 Shares were issued at an issue price of $0.01 each.

(c) The Tranche 1 Shares are fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company’s existing Shares on issue.

(d) The Tranche 1 Shares were issued to sophisticated and professional investors who are not related parties or associates of the Company.

(e) The funds raised from the issue of the issue of the Tranche 1 Shares will be used for exploration of the Company's assets in PNG, focussing on further geophysical interpretation and first pass targeting of geochemical and geophysical anomalies on the newly granted EL 1915 and EL1916 tenements, and working capital.

(f) A voting exclusion statement is included in the Notice.

4. Resolution 2 – Approval of issue of Tranche 2 Shares

4.1 General

As detailed in Section 3.1, subject to Shareholder approval under Resolutions 2 and 3, the Company will issue a further 19,658,356 Shares to raise $196,583.56 (before costs) as the Tranche 2 Placement.

Subject to Shareholder approval, the Tranche 2 Placement will be undertaken as follows:

(a) up to 9,658,356 Shares (**Tranche 2 Shares**) will be issued to sophisticated and professional investors who are not related parties or associates of related parties of the Company. Resolution 2 seeks Shareholder approval for the issue of the Tranche 2 Shares pursuant to Listing Rule 7.1; and

(b) up to 10,000,000 Shares will be issued to Mr Neil Biddle and Mr Tony Leibowitz or their respective nominees. Resolution 3 seeks Shareholder approval for the issue of these shares pursuant to Listing Rule 10.11.

4.2 Listing Rule 7.1

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 2 will be to allow the Directors to issue the Tranche 2 Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 2 is an ordinary resolution.

4.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Tranche 2 Shares as follows:

(a) The maximum number of Tranche 2 Shares is 9,658,356.

(b) The Company will issue the Tranche 2 Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(c) The Tranche 2 Shares will be issued at an issue price of $0.01 each.

(d) The Tranche 2 Shares will be issued to sophisticated and professional investors who are not related parties or associates of the Company.

(e) The Tranche 2 Shares are fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue.

(f) The funds raised from the issue of the issue of the Tranche 2 Shares will be used for exploration of the Company's assets in PNG, focussing on further geophysical interpretation and first pass targeting of geochemical and geophysical anomalies on the newly granted EL 1915 and EL1916 tenements, and working capital.

(g) The issue of the Tranche 2 Shares will occur as soon as practicable after the Meeting.

(h) A voting exclusion statement is included in the Notice.

5. Resolution 3 - Approval of Directors' participation in Tranche 2 Placement

5.1 General

As detailed in Section 4.1, subject to Shareholder approval, the Company will issue a further 10,000,000 Shares to Mr Neil Biddle and Mr Tony Leibowitz (or their respective nominees) as part of the Tranche 2 Placement.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 10.11 to enable the Company to issue 5,000,000 Shares to Mr Neil Biddle and 5,000,000 Shares to Mr Tony Leibowitz (or their respective nominees) as part of the Tranche 2 Placement.

As approval of Shareholders is being sought pursuant to Listing Rule 10.11, Shareholder approval under Listing Rule 7.1 is not required, in accordance with Exception 14 of Listing Rule 7.2.

5.2 Listing Rule 10.11

Shareholder approval is required under Listing Rule 10.11 because Mr Biddle and Mr Leibowitz, by reason of their positions as a Directors, are related parties of the Company.

Listing Rule 10.11 restricts the Company's ability to issue securities to a related party unless approval is obtained from Shareholders. The effect of passing Resolution 3 will be to allow the Company to issue the Director Tranche 2 Shares to Mr Biddle and Mr Leibowitz (or their nominees) during the month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 3, Mr Biddle and Mr Leibowitz (or their nominees) will not be issued any Shares under the Tranche 2 Placement.

Resolution 3 is an ordinary resolution and will not take effect unless Resolution 2 is also passed.

5.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to obtaining Shareholder approval to authorise Mr Biddle and Mr Leibowitz (or their nominees) to participate in the Tranche 2 Placement:

(a) 5,000,000 Shares will be issued to Mr Biddle, and 5,000,000 Shares will be issued to Mr Leibowitz (or their nominees).

(b) The maximum number of securities to be issued to:

 (i) Mr Biddle (or his nominee) is 5,000,000 Shares; and

 (ii) Mr Leibowitz (or his nominee) is 5,000,000 Shares.

(c) The Company will issue the Shares no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(d) The Shares will be issued at an issue price of $0.01 each.

(e) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.

(f) A voting exclusion statement is included in the Notice.

(g) The funds raised from the issue of the issue of the Shares will be used for exploration of the Company's assets in PNG, focussing on further geophysical interpretation and first pass targeting of geochemical and geophysical anomalies on the newly granted EL 1915 and EL1916 tenements, and working capital.

6. Resolution 4 – Approval of Additional Placement Facility

6.1 General

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 30,000,000 Shares each at an issue price of $0.01 each (**Additional Placement Shares**).

The funds raised from the issue of the issue of the Additional Placement Shares will be used for exploration of the Company's assets in PNG, focussing on further geophysical interpretation and first pass targeting of geochemical and geophysical anomalies on the newly granted EL 1915 and EL1916 tenements, and working capital.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 4 will be to allow the Directors to issue the Additional Placement Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 4 is an ordinary resolution.

6.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Additional Placement Shares as follows:

(a) The maximum number of Additional Placement Shares to be issued is 30,00,000.

(b) The Company will issue the Additional Placement Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(c) The Additional Placement Shares will be issued at an issue price of $0.01.

(d) The Additional Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.

(e) The funds raised from the issue of the issue of the Additional Placement Shares will be used for exploration of the Company's assets in PNG, focussing on further geophysical interpretation and first pass targeting of geochemical and geophysical anomalies on the newly granted EL 1915 and EL1916 tenements, and working capital.

(f) The issue of the Additional Placement Shares will occur progressively.

(g) A voting exclusion statement is included in the Notice.

7. Resolution 5 – Approval of issue of Shares to advisors

7.1 General

Resolution 5 seeks Shareholder approval for the issue of 1,300,000 Shares to the Company's advisors (**Advisor Shares**), in lieu of fees due and payable to them, pursuant to Listing Rule 7.1.

7.2 Listing Rule 7.1

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution will be to allow the Directors to issue the Advisor Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 5 is an ordinary resolution.

7.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Advisor Shares as follows:

(a) The maximum number of Advisor Shares to be issued is 1,300,000.

(b) The Company will issue the Advisor Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(c) The Advisor Shares will be issued at an issue price of nil.

(d) The Advisor Shares will be issued to the Company's advisors, who are sophisticated and professional investors who are not related parties or associates of the Company.

(e) The Advisor Shares are fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue.

(f) No funds will be raised from the issue of the Advisor Shares as they are being issued for nil cash consideration but as part of the consideration for the services provided by the advisors.

(g) The issue of the Advisor Shares will occur as soon as practicable after the Meeting.

(h) A voting exclusion statement is included in the Notice.

8. Resolutions 6 to 8 (inclusive) – Approval to Issue Shares to Directors

8.1 General

Resolutions 6 to 8 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to $36,300 worth of Shares to Mr Neil Biddle, Mr Tony Leibowitz and Mr Robert Adamson (or their nominees) in lieu of directors' fees payable to each of them during current financial year (together the **Directors Shares**).

Subject to Shareholder approval of Resolutions 6 to 8 (inclusive), the number of Directors Shares to be issued to Mr Biddle, Mr Leibowitz and Mr Adamson (or their nominees) will be calculated in accordance with the formula in the below table:

Director (or nominee)	No of Shares
Mr Neil Biddle	No. of Shares = $\frac{\$9{,}900}{\text{Issue Price}}$
Mr Tony Leibowitz	No. of Shares = $\frac{\$9{,}900}{\text{Issue Price}}$
Mr Robert Adamson	No. of Shares = $\frac{\$16{,}500}{\text{Issue Price}}$
Total	**No. of Shares =** $\frac{\mathbf{\$36{,}300}}{\textbf{Issue Price}}$

Where the "Issue Price" is equal to the 5 day VWAP of Shares immediately before the date of the issue. No funds will be raised from the issue of the Directors Shares as they are being issued for nil cash consideration and as part of the consideration for the services to be provided by those Directors during the current financial year.

The Company has obtained a waiver of Listing Rule 10.13.5 from ASX in order to permit the Company to include a formula for calculating the issue price of the Director Shares which is based on a future average market price.

8.2 Section 208 of Corporations Act and Listing Rule 10.11

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that due to the material personal interest of three of the four Directors in Resolutions 6 to 8 (inclusive), it is unable to form a quorum of Directors to consider whether the issue of the Directors Shares falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is required under Listing Rule 10.11 because Mr Biddle, Mr Leibowitz, and Mr Adamson, by reason of their positions as Directors, are related parties of the Company.

Listing Rule 10.11 restricts the Company's ability to issue securities to a related party unless approval is obtained from Shareholders. The effect of passing Resolutions 6 to 8 (inclusive) will be to allow the Company to issue the Director Shares to those Directors (or their nominees) during the month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolutions 6 to 8 (inclusive), the Company will not issue the Director Shares to Mr Biddle, Mr Leibowitz and Mr Adamson (or their nominees) and will instead pay those Directors their respective directors' fees in cash.

Resolutions 5 to 8 (inclusive) are ordinary resolutions. The Chairman will cast all available proxies in favour of Resolutions 6 to 8 (inclusive).

8.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the Director Shares is provided as follows:

(a) The Directors Shares will be issued to Mr Biddle, Mr Leibowitz and Mr Adamson (or their nominees).

(b) The maximum number of Director Shares to be issued to each of Mr Biddle, Mr Leibowitz and Mr Adamson (or their nominees) will be calculated in accordance with the formula in the table in Section 8.1.

(c) The Directors Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(d) The Directors Shares will be issued for nil cash consideration.

(e) The Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company’s existing Shares on issue.

(f) A voting exclusion statement is included in the Notice for each of Resolutions 6 to 8 (inclusive).

(g) The related parties to whom Resolutions 6 to 8 (inclusive) would permit financial benefits to be given are Mr Biddle, Mr Leibowitz and Mr Adamson.

(h) The issue of the Director Shares will be in lieu of the directors' fees payable to each of them during current financial year. Mr Biddle, Mr Leibowitz and Mr Adamson believe it is inappropriate to make a recommendation in relation to Resolutions 6 to 8 (inclusive) due to their personal interest.

(i) Mr Gavin Farley is the only Director without a personal interest in Resolutions 6 to 8 (inclusive). Given the current financial position of the Company, Mr Farley considers that the issue of the Directors Shares in lieu of director fees is a cost effective and efficient means for the Company to conserve cash but remunerate its Directors for their services. Mr Farley considers that determining the number of Directors Shares based on a 5-day VWAP is a fair and appropriate way to work out the number of Shares to be issued.

(j) The potential dilution effect if all of the Directors are issued is as shown below. For the purposes of these calculations, the following prices have been used:

(i) the most recent price of Shares;

(ii) the lowest price of Shares over the past 12 months; and

(iii) the highest price of Shares over the past 12 months.

	Number of Director Shares		
Director	**Lowest Price($0.01)**	**Last Price ($0.01)**	**Highest Price($0.04)**
Mr Biddle	990,000	990,000	247,500
Mr Leibowitz	990,000	990,000	247,500
Mr Adamson	1,650,000	1,650,000	412,500
TOTAL	**3,630,000**	**3,630,000**	**907,500**

Number of Shares		**Dilution of Director Shares**		
		Lowest Price ($0.01)	**Last Price ($0.01)**	**Highest Price ($0.04)**
Shares currently on issue	223,419,269*	1.60%	1.60%	0. 0.41%
Total Shares on issue if Resolutions 2, 3, 4 and 5 are approved and all Shares under those Resolutions are issued	274,377,625*	1.31%	1.31%	0. 0.33%

* 129,600,000 Shares are subject to escrow restrictions until 30 May 2014.

(k) Historical share price information for the last 12 months is as follows:

Shares	Price	Date
Highest	$0.04	Numerous dates, the latest being 7 December 2012
Lowest	$0.01	Numerous dates, the latest being 25 September 2013
Last	$0.01	25 September 2013

(l) Mr Biddle, Mr Leibowitz and Mr Adamson currently hold the following relevant in securities of the Company:

Director	Shares	Options
Mr Biddle	18,168,905(1)	Nil
Mr Adamson	340,000	250,000(2)
Mr Leibowitz	5.010.000(3)	Nil

Notes:
(1) 16,800,000 Shares are subject to escrow restrictions until 30 May 2014.
(2) These Options have an exercise price of $0.25 each and an expiry date of 23 November 2013

(3) 5,100,000 Shares are subject to escrow restrictions until 30 May 2014.

(m) The following remuneration was received by each of Mr Biddle, Mr Leibowitz and Mr Adamson (including superannuation) during the 12 months to 30 June 2013 was as follows:

(i) Mr Biddle: $3,000

(ii) Mr Adamson: $35,700

(iii) Mr Leibowitz: $3,000.

(n) It s expected that Mr Biddle, Mr Leibowitz and Mr Adamson will receive the following remuneration (including superannuation in the current financial year:

(i) Mr Biddle: $66,000

(ii) Mr Adamson: $36,000

(iii) Mr Leibowitz: $36,000.

(o) Other than the information above and otherwise set out in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to vote on Resolutions 6 to 8 (inclusive).

9. Resolution 9 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

Three of the four Directors may have a material personal interest in the outcome of Resolutions 6 to 8 (inclusive). In the absence of this Resolution 8, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 6 to 8 (inclusive).

Accordingly, the Directors have exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

$ means Australian dollars.

Additional Placement Shares has the meaning given in Section 6.1.

Advisor Shares has the meaning given in Section 7.1.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting.

Closely Related Party means

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

Company or **Pilbara** means Pilbara Minerals Limited ACN 112 425 788.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Shares has the meaning given in Section 8.1.

Directors mean the directors of the Company.

Explanatory Memorandum means this explanatory memorandum.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of general meeting which this Explanatory Memorandum accompanies.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Tranche 1 Placement has the meaning given in Section 3.1.

Tranche 1 Shares has the meaning given in Section 3.1.

Tranche 2 Placement has the meaning given in Section 3.1.

Tranche 2 Shares has the meaning given in Section 4.1.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

PILBARA MINERALS
LIMITED

Reference Number:
Please note it is important you keep this confidential

PILBARA MINERALS LIMITED
ACN 112 425 788

P R O X Y   F O R M
The Company Secretary
Pilbara Minerals Limited

By delivery or post:
Unit 2
4-6 Doepel Street
NORTH FREMANTLE WA 6159

By facsimile:
+61 8 94335121

Name of Shareholder:	
Address of Shareholder:	
Number of Shares entitled to vote:	

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairman (mark box) ☐ **OR** if you are **NOT** appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman, as my/our proxy for the meeting to be held at Unit 2, 4-6 Doepel Street, North Fremantle, Western Australia on 4 November 2013 at 10am (WST), to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit). If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is * [ ]% of the Shareholder's votes*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairman is your proxy or is appointed your proxy by default

The Chairman intends to vote all available proxies in favour of the Resolutions. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to the Resolution, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on the Resolution even if the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

Step 2 – Instructions as to Voting on the Resolutions

INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Ratification of Tranche 1 Placement			
Resolution 2	Approval of issue of Tranche 2 Shares			
Resolution 3	Approval of Directors' participation in Tranche 2 Placement			
Resolution 4	Approval of Additional Placement Facility			
Resolution 5	Approval to issue Shares to advisors			
Resolution 6	Approval to issue Shares to Mr Neil Biddle			
Resolution 7	Approval to issue Shares to Mr Tony Leibowitz			
Resolution 8	Approval to issue Shares to Mr Robert Adamson			
Resolution 9	Section 195 Approval			

* If you mark the Abstain box, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section ***must*** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairman intends to vote all available proxies in favour of the Resolutions.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by the Company (Unit 2, 4-6 Doepel Street, North Fremantle, or by facsimile (+61 8 9433 5121) not less than 48 hours prior to the time of commencement of the General Meeting (WST).