



PLS to move to 100% of Tabba Tabba

Tabba Tabba tantalite; Pilgangoora spodumene plus tantalite

Recommendation

Strong BUY; High Risk

Price

13c

Valuation

29c

Products :

**Tantalite (tantalum)
and Spodumene (lithium)**

- PLS announced that it has agreed commercial terms to move to 100% of the Tabba Tabba project by buying the 50% stake held by its JV partner, Nagrom.
- However, there are contractual agreements with the tenement owner, Global Advanced Metals, which is also the customer, to be finalised.
- PLS continues to expect that the final approval for operations at Tabba Tabba is imminent, and that it will take about 6 to 8 weeks from approval to first product.
- While Tabba Tabba is early cashflow, the bulk of the value in PLS is at Pilgangoora, about 55km to the south.

Snapshot

Market Cap	\$86m
Shares on Issue	660.6m
Cash on hand (31 March 2015)	\$1.3m
52 Week High	15.5c
52 Week Low	1.7c
1 month / 6 month VWAP	11.9c/8.1c

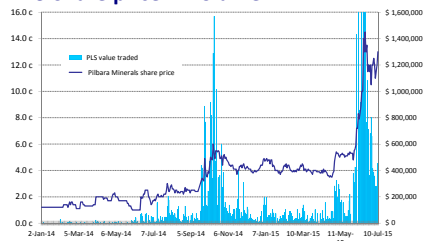
PLS moving to 100% of Tabba Tabba

PLS has agreed commercial terms with Nagrom to acquire Nagrom's 50% share in the JV between PLS and Nagrom to develop Tabba Tabba. Beer & Co assumes that Nagrom is paid a significant premium over its investment to date.

This increased our valuation by about 5%.

However, contractual arrangements with GAM, which is the owner of the Tabba Tabba tenements, still need to be completed documented and completed.

PLS Share price v. volume



Mining start at Tabba Tabba imminent

PLS have received all environmental approvals. Final approval is imminent.

Of the \$8m required to bring Tabba Tabba into production, \$7m has been spent, with plant transported to site and ready to be installed.

Beer & Co estimates 6 to 8 weeks from final approval to first product.

Main value is Pilgangoora

While Tabba Tabba is expected to provide near term cashflow, it now accounts for about 10% of Beer & Co's valuation of PLS, with Pilgangoora the balance.

Pilgangoora's main value is its spodumene. Beer & Co sees further potential value from

- Progressive project de-risking; and
- The potential for lithium carbonate to be produced from lepidolite.

Beer & Co valuation now 29c/share; affirm Strong BUY

PLS is funded to bring Tabba Tabba into operation and then Pilgangoora.

Beer & Co confirms our Strong BUY, High Risk recommendation.

Pilbara Minerals acquired a 50% stake in the Tabba Tabba project in October 2013.

PLS published a feasibility study on Tabba Tabba in February 2014 and has since raised equity to bring it into production.

In May 2014, PLS announced the acquisition of 100% of Pilgangoora, 55km from Tabba Tabba in the Pilbara region.

PLS is progressing a feasibility study for Pilgangoora and is awaiting a permit to begin production at Tabba Tabba

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Pilbara Minerals

In the Pilbara region

Figure 1 shows the locations of PLS's operations :

Pilbara Minerals has its operations in the Pilbara region.

Tabba Tabba, and Strelly, are tantalite resources.

Pilgangoora is a spodumene resource, with some tantalite

GAM, a major processor of tantalite, has a 5 year off-take agreement to take the product from Tabba Tabba and Strelly

- Tabba Tabba, which is about 90km by road from Pt Hedland;
- Strelly, which is intended to be a satellite, or subsequent, operation to Tabba Tabba; and
- Pilgangoora, which is a large resource, about 55km further from Pt Hedland.

Tabba Tabba and Strelly tenements are owned by Global Advanced Metals (GAM) which previously operated the Wodgina mine.

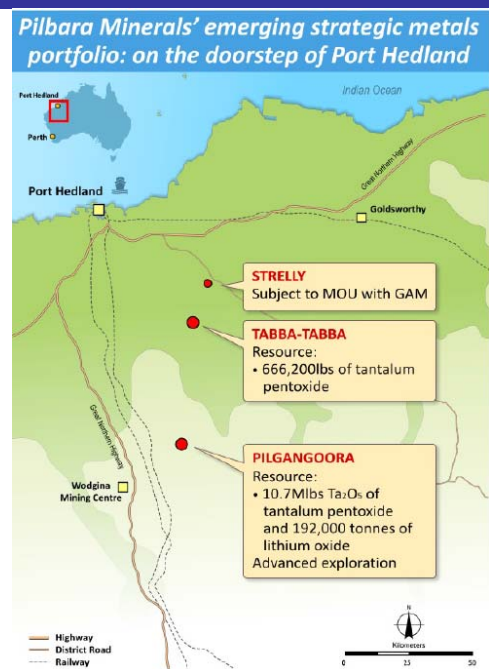
GAM is one of only two major producers of tantalum (Ta), the major use of which is in electronics, to produce capacitors.

Refined Ta metal has a value of about US\$ 400 - \$500/kg.

It is produced from tantalite (Ta₂O₅), which has a value about US\$ 200/kg.

PLS has a 5 year take or pay contract with GAM to produce a tantalite concentrate which it will sell at the mine gate to GAM.

Figure 1 : PLS operations



Source : PLS presentation, June 2015

Tabba Tabba

Description

Figure 2 shows the current JORC resource estimate for Tabba Tabba.

PLS has a resource estimate of 318kt for 666,200 lbs of contained Ta₂O₅.

The plant will have a processing capacity of 120kt/yr, on a one-shift basis.

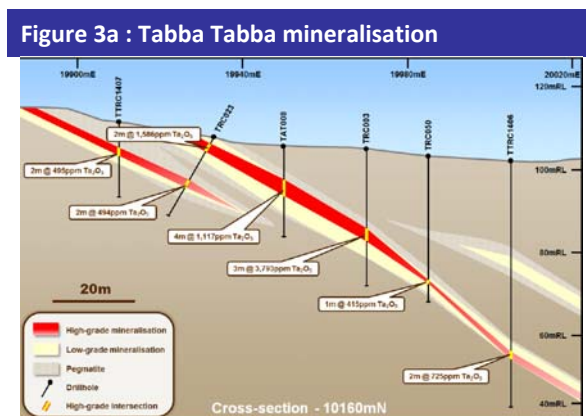
The Resources shown in Figure 2 are not sufficient for a 5 year contract at 120kt/yr.

Figure 2 : Tabba Tabba Resources

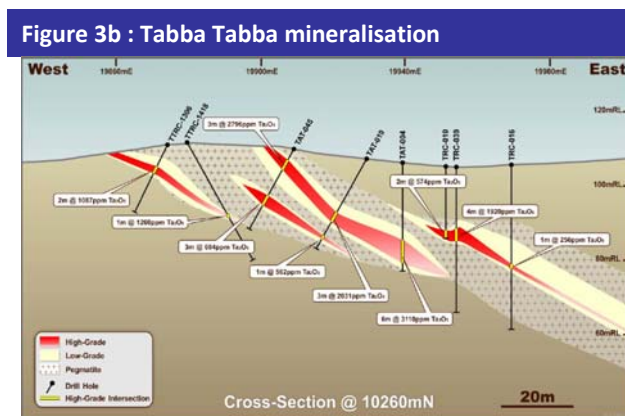
		Ta ₂ O ₅ grade	contained Ta ₂ O ₅
Measured	35.1 kt	1,380 ppm	107,125 lb
Indicated	187.0 kt	1,020 ppm	418,925 lb
Inferred	96.0 kt	660 ppm	140,150 lb
TOTAL	318.1 kt	950 ppm	666,200 lb

Source : PLS ASX announcement, 15 January 2015

As indicated in Figure 3, the mineralisation at Tabba Tabba is contained within steeply dipping pegmatites.



Source : PLS ASX announcement, 15 January 2015



Source : PLS ASX announcement, 15 January 2015

There are many further out-cropping pegmatites in the area that have yet to be drilled.

PLS has reported reserves of 133kt for Tabba Tabba

Reserves and Mining Inventory

Figure 4 shows that, from a resource of 318kt, PLS has 133kt, or just over 12 months of production, in Reserves.

Figure 4 : Tabba Tabba Reserves

		Ta ₂ O ₅ grade	contained Ta ₂ O ₅	Nb ₂ O ₅ grade	contained Nb ₂ O ₅
Proved	32.0 kt	1,420 ppm	100,178 lb	294 ppm	92,454 lb
Probable	101.0 kt	1,249 ppm	278,111 lb	292 ppm	230,394 lb
Total Reserves	133.0 kt	1,290 ppm	378,289 lb	1,101 ppm	322,848 lb
Pit Design	162.2 kt	1,240 ppm	443,411 lb		

Source : PLS ASX announcement, 19 February 2014

GAM projects significant growth in demand for tantalum, and hence tantalite

In Beer & Co's view, the fact that GAM has signed a 5 year off-take agreement implies that the mining operations have a life of more than 12 months.

Further, given the expected growth in the tantalum market, as GAM estimates demand will rise from about 1,300t in 2013 to 2,000t in 2016, Beer & Co expects that the Tabba Tabba operations will be expanded to maintain product output even as grades fall over time.

Figure 5 : Beer & Co's mining inventory

		Ta ₂ O ₅ grade	contained Ta ₂ O ₅
Reserves	133 kt	1,290 ppm	378k lb
In Pit + Resource	80 kt	1,100 ppm	195k lb
near pit	50 kt	900 ppm	99k lb
Along strike	500 kt	750 ppm	827k lb
Strelly, high grad	500 kt	600 ppm	661k lb
Strelly, balance	900 kt	450 ppm	892k lb
TOTAL	2,162 kt	640 ppm	3,052k lb

Source: Beer & Co estimates

Tabba Tabba : Operations

Figure 6 shows Beer & Co's projections for operations at Tabba Tabba. It shows increasing volume, by adding a second shift, to maintain product output as grades fall.

Beer & Co projects ore tonnes to increase to compensate for falling grades over time

Figure 6 : Beer & Co's projected operations for Tabba Tabba

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Ore mined	98 kt	150 kt	240 kt	240 kt	240 kt	240 kt	300 kt
waste : ore	10 : 1	5 : 1	6 : 1	10 : 1	10 : 1	10 : 1	10 : 1
Waste moved	1,004 kt	753 kt	1,416 kt	2,472 kt	2,472 kt	2,472 kt	3,090 kt
Ore Processed	98 kt	150 kt	240 kt	240 kt	240 kt	240 kt	300 kt
grade	1,290 ppm	864 ppm	618 ppm	600 ppm	600 ppm	600 ppm	505 ppm
Recovery	75 %	82 %	82 %	82 %	82 %	82 %	82 %
Ta2O5 recovered	208,508 lb	234,368 lb	268,260 lb	260,322 lb	260,322 lb	260,322 lb	273,934 lb

Source: Beer & Co estimates

It also shows a high strip ratio, as suggested by Figure 3.

Figure 7 shows Beer & Co's projected costs. Note that costs are projected to rise over time and the mine life cease when cash costs get too close to revenue.

Figure 7 : Beer & Co's projected costs, over time, for Tabba Tabba

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Mining and Waste	\$ 4.1m	\$ 3.5m	\$ 6.2m	\$ 9.9m	\$ 10.0m	\$ 10.2m	\$ 12.4m
AUD /t material	\$ 3.7/t	\$ 3.8/t	\$ 3.7/t	\$ 3.6/t	\$ 3.7/t	\$ 3.7/t	\$ 3.7/t
AUD/t ore	\$ 42/t	\$ 23/t	\$ 26/t	\$ 41/t	\$ 42/t	\$ 42/t	\$ 41/t
Processing	\$ 1.9m	\$ 2.6m	\$ 3.8m	\$ 3.8m	\$ 3.8m	\$ 3.8m	\$ 4.7m
AUD/t ore	\$ 19/t	\$ 17/t	\$ 16/t	\$ 16/t	\$ 16/t	\$ 16/t	\$ 16/t
Admin & Overhead	\$ 1.7m	\$ 2.1m	\$ 3.1m	\$ 3.1m	\$ 3.1m	\$ 3.1m	\$ 3.3m
AUD/t ore	\$ 18/t	\$ 14/t	\$ 13/t	\$ 13/t	\$ 13/t	\$ 13/t	\$ 11/t
TOTAL	\$ 79/t	\$ 54/t	\$ 54/t	\$ 70/t	\$ 71/t	\$ 71/t	\$ 68/t
	\$ 37.0 /lb	\$ 34.7 /lb	\$ 48.7 /lb	\$ 64.3 /lb	\$ 65.1 /lb	\$ 65.5 /lb	\$ 74.7 /lb

Source: Beer & Co estimates

Figure 8 shows Beer & Co's resulting projected cashflows for Tabba Tabba.

Beer & Co projects a quick payback on capital invested

Figure 8 : Beer & Co projected cashflows, Tabba Tabba

AUD m	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Ta2O5	2,085k lb	2,344k lb	2,683k lb	2,603k lb	2,603k lb	2,603k lb	2,739k lb	2,929k lb	2,846k lb
Net Revenue	17.2	19.3	22.1	21.5	21.5	21.5	22.6	24.2	23.5
Cash Costs	(7.7)	(8.1)	(13.1)	(16.7)	(16.9)	(17.1)	(20.5)	(23.9)	(23.2)
Dep'n & Amort'sn	(4.3)	(2.0)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
E B I T	5.2	9.2	8.5	4.1	3.9	3.8	1.5	(0.3)	(0.4)
Sus. Cap. Ex	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	0.0
Un-gear'd Net Cashflow	6.5	7.9	5.9	2.9	2.8	2.7	1.1	(0.2)	0.4

Source: Beer & Co estimates

Figure 8 shows a payback period of about 15 months on the \$8m invested to bring Tabba Tabba into operation.

Pilgangoora

Pilgangoora Resources

On 2 June, 2015, PLS announced an upgraded Mineral Resources estimate and Exploration Target, as shown in Figures 9 and 10. The resource announcement includes drilling only to the end of March 2015.

PLS has a significant volume in resources at Pilgangoora

Figure 9 : Pilgangoora Resource estimate, June 2015

Category		Ta ₂ O ₅ grade	Contained Ta ₂ O ₅	Li ₂ O grade	Contained Li ₂ O
Indicated	Ta ₂ O ₅	6.0 Mt	233 ppm	1,396 t	3.1 Mlb
	Li ₂ O	4.7 Mt			1.36 %
Inferred	Ta ₂ O ₅	17.8 Mt	208 ppm	3,710 t	8.2 Mlb
	Li ₂ O	15.7 Mt			1.10 %
TOTAL	Ta₂O₅	23.8 Mt	214 ppm	5,107 t	11.3 Mlb
	Li₂O	20.5 Mt			1.16 %

Source : PLS ASX announcement, 2 June 2015, Beer & Co

The difference between the volume for tantalite and for spodumene arises as the estimate includes some drilling, before PLS acquired the tenements, which sought only tantalite and so the samples were not assayed for spodumene.

PLS has an even larger Exploration Target at Pilgangoora

Figure 10 : Pilgangoora Exploration Target, June 2015

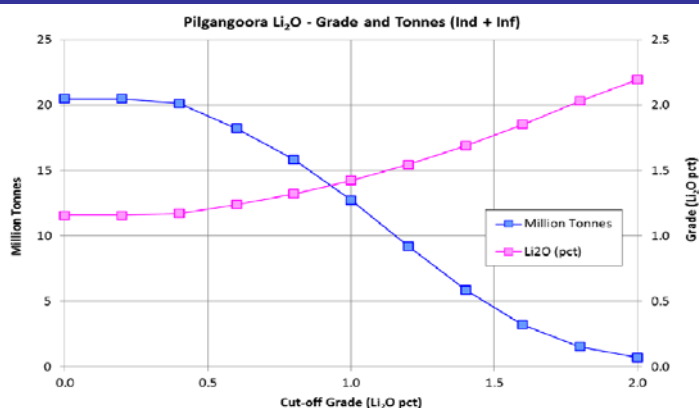
		Li ₂ O grade	Ta ₂ O ₅ grade
Northern area	20 Mt - 25 Mt	1.2 % - 1.5 %	200 ppm - 250 ppm
Central & Southern	30 Mt - 35 Mt	1.2 % - 1.5 %	150 ppm - 200 ppm
TOTAL	50 Mt - 60 Mt	1.2 % - 1.5 %	175 ppm - 225 ppm

Source : PLS ASX announcement, 2 June 2015, Beer & Co

High Grade Zone

Grade – tonnage curve shows a smaller, high grade zone

Figure 11 : Grade v tonnage curve for Pilgangoora



Source : PLS ASX announcement, 2 June 2015.

We model Pilgangoora as a 1.0Mt/.yr operation. The key to valuation is grade rather than tonnes.

Figure 11 is a tonnage – grade chart from PLS’s 2 June 2015 resource announcement. PLS state that using a cut-off grade of 1.0% Li₂O, the resulting resource is

12.73Mt at 1.42% Li₂O.

Figure 12 shows the revised mining inventory used for Pilgangoora in this analysis, which is based on the resources shown in Figure 9 and Figure 11, plus the Exploration target shown in Figure 10.

Figure 12 : Mining Inventory used in Beer & Co’s analysis

		Grade		Contained metal	
		Li ₂ O	Ta ₂ O ₅	Li ₂ O	Ta ₂ O ₅
High Grade	12.73 Mt	1.42 %	225 ppm	181 kt	6.3 MIb
Other Resources	11.10 Mt	1.27 %	202 ppm	141 kt	4.9 MIb
Other Mineralisation	52.88 Mt	1.27 %	200 ppm	672 kt	23.3 MIb
TOTAL	76.71 Mt	1.30 %	204 ppm	993 kt	34.6 MIb

Source : PLS ASX announcement, 2 June 2015, Beer & Co

Metallurgical Testwork

There are 2 forms of metallurgical testwork being done :

- Work to produce a concentrate, grading at least 6%, for sale to consumers; and
- Consumers are testing the resulting concentrate to determine how well the Pilgangoora product can fulfil their needs.

On 25 May, 2015, PLS reported test results relating to the former.

To produce a saleable concentrate, it must :

- Have a minimum 6% Li₂O content; and
- An iron (Fe) content of 0.116% (or 0.17% Fe₂O₃).

The 25 May 2015 announcement referred to a 100kg bulk sample of Pilgangoora material tested by the German industrial minerals specialists, ANZAPLAN.

There were two stages to the testwork : the first being flotation testing, and the second stage being magnetic separation, followed by screening.

The flotation stage :

- Recovered 90% of the assayed Li₂O; and
- Produced a concentrate assaying 5.7% Li₂O and 0.37% Fe₂O₃.

Magnetic separation reduced the Fe₂O₃ from 0.37% to 0.11%.

Screening out the fines, to produce a product of 100 to 300µm (ie. 1/10 to 3/10 of a millimetre) gave a final specification of

- 6.5% Li₂O; and
- 0.09% Fe

PLS's Li₂O is directed at the glass-ceramics segment, which is still the largest user, though rechargeable batteries are expected to become a larger user

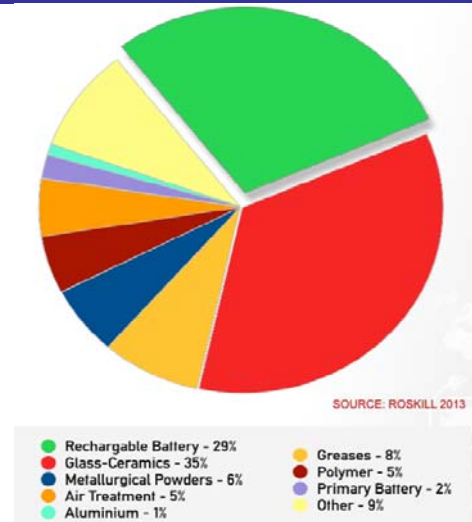
Markets

PLS has received requests from 5 different companies to test the concentrate.

Figure 13 shows the range of demands for Li₂O, of which glass – ceramics is the most significant; Li₂O has a zero co-efficient of expansion making it necessary as an additive for large panes of glass, especially as used in high rise buildings.

While Figure 13 shows that the major demand is glass – ceramics, Figure 14 shows that the projected demand for re-chargeable batteries, based on lithium carbonate (Li₂CO₃), is projected to grow strongly and soon dominate.

Figure 13 : Li₂O demand



Source : PLS June 2015 presentation

Met tests results show a high grade concentrate, with low iron and good recoveries

Conclusions

The results reported show that the Pilgangoora ore can be upgrade to a good to high quality feed for glass – ceramics production.

There are more tests to be done, including some by a firm that believes it has a process to produce battery grade Li₂CO₃ from spodumene, which requires 99.9% Li₂CO₃.

The recovery of 90% of Li₂O at the flotation stage, suggests that overall recoveries are likely to be higher than the 80% assumed in Beer & Co's analysis.

Figure 14 : Historical and projected Li₂O demand



Source : PLS June 2015 presentation

Valuation of PLS

Financial Projections

Figure 15 shows Beer & Co's projected financial outcomes for PLS. It shows

- Pilgangoora ramps up to 1,000kt/yr, with the extra being PLS's share of Tabba Tabba
- Production of Li₂O is zero until Pilgangoora begins production;
- Production of Li₂O falls away after 2023, when the high grade material at Pilgangoora (refer to Figure 12) is exhausted.

Figure 15 : Beer & Co projected financial outcomes

AUD m	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2027-28	2028-29	2029-30	2030-31	2031-32
Ore Mined	0 kt	49 kt	75 kt	795 kt	1,120 kt	1,120 kt	1,120 kt	1,150 kt	1,000 kt	1,000 kt	1,000 kt	1,000 kt	1,000 kt
Ta ₂ O ₅ sold	0k lb	209k lb	234k lb	521k lb	678k lb	682k lb	682k lb	695k lb	421k lb	421k lb	421k lb	376k lb	376k lb
Li ₂ O sold	0.0M lb	0.0M lb	0.0M lb	15.1M lb	24.8M lb	25.0M lb	25.0M lb	25.0M lb	25.0M lb	25.0M lb	25.0M lb	22.5M lb	22.4M lb
Ta ₂ O ₅ revenue	0.0	17.2	19.3	43.0	55.9	56.2	56.2	57.3	34.8	34.8	34.8	31.0	31.0
Li ₂ O revenue	0.0	0.0	0.0	45.2	74.4	75.1	75.1	75.1	75.1	75.1	75.1	67.6	67.2
Total Revenue	0.2	17.8	20.3	89.2	131.3	132.4	132.4	133.5	110.9	110.9	110.9	99.7	99.2
Cost of Goods Sold	0.0	(7.7)	(8.1)	(49.2)	(67.7)	(68.8)	(69.8)	(73.8)	(53.9)	(54.0)	(54.0)	(54.1)	(54.2)
Corporate Costs	(1.0)	(1.3)	(1.3)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Dep'n & Amort'sn	0.0	(7.5)	(3.2)	(1.4)	(2.8)	(2.8)	(2.8)	(2.8)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
E B I T	(0.8)	1.3	7.8	37.0	59.3	59.2	58.2	55.3	53.3	53.2	53.1	41.8	41.3
Interest Expense	0.0	0.0	0.0	(0.9)	(0.7)	(0.5)	(0.3)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Tax Expense	0.0	(0.5)	(2.3)	(10.8)	(17.6)	(17.6)	(17.4)	(16.6)	(16.0)	(16.0)	(15.9)	(12.5)	(12.4)
NPAT	(0.8)	0.8	5.4	25.3	41.0	41.1	40.5	38.6	37.3	37.2	37.2	29.3	28.9
Ordinary shares - year e	618.5m	685.0m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m	803.4m
Earnings per Share	(0.1c)	0.1 c	0.7 c	3.1 c	5.1 c	5.1 c	5.0 c	4.8 c	4.6 c	4.6 c	4.6 c	3.6 c	3.6 c

Source : Beer & Co estimates

Valuation of PLS

Figure 16 shows the detail of Beer & Co's revised valuation of PLS.

Figure 16 : Beer & Co's valuation of PLS now 29c

Beer & Co's revised valuation is now 29c/share

discount rate = 12.0 %	risk :	30-Jun-14		13-Jul-15	
		100%	Product	per share	
Tabba Tabba Resources	85 %	\$ 8m	\$ 7m	0.9 c	1.4 c
Tabba Tabba Extensions	65 %	\$ 7m	\$ 4m	0.6 c	0.9 c
Strelly	45 %	\$ 3m	\$ 2m	0.2 c	0.3 c
franking credits	50 %	\$ 3m	\$ 1m	0.2 c	0.2 c
Pilgangoora Indicated	50 %	\$ 157m	\$ 79m	10.2 c	16.4 c
Pilgangoora Inferred	40 %	\$ 28m	\$ 11m	1.5 c	2.5 c
Pilgangoora Extension	20 %	\$ 7m	\$ 1m	0.2 c	0.4 c
franking credits	20 %	\$ 80m	\$ 30m	3.9 c	6.8 c
Corporate	100 %	(\$8m)	(\$8m)	(1.0c)	(1.0c)
Cash / debt	100 %	(\$0m)	(\$0m)	(0.1c)	(0.1c)
cash raised	100 %	\$ 12m	\$ 12m	1.6 c	1.2 c
TOTAL		\$ 297m	\$ 139m	18.2 c	29.0 c
Shares on issue		330.3m	FPO shares	88.5m options	
		288.2m	issued FY15	88.5m op. ex'd	
		60.9m	CN conversion		

Source : Beer & Co estimates

Figure 16 shows

- While the focus may be on Tabba Tabba to get into production, it is only a very small part of the overall value of PLS, which is focussed on Pilgangoora;
- PLS's accounts for June 2014 treated the convertible notes on issue at that time as debt, though most have since been converted into equity.

Conclusions

Beer & Co maintains a Strong BUY, High Risk recommendation

Beer & Co initiated research on PLS in September 2014. At that time the share price was 2.5c and our valuation was 10c.

Despite the delays to Tabba Tabba, Beer & Co has progressively upgraded our valuation, as we have suggested was possible.

Beer & Co sees further upside potential from :

- Successful project delivery and hence de-risking;
- Further upgrades to the Pilgangoora estimate;
- The potential to produce Li_2CO_3 from lepidolite, which is being trialled by Cobre Montana (CXB.ASX), and which has had success with its testwork at Lepidolite Hill; and
- Reduced costs through lower waste to ore for Pilgangoora, as our analysis assumes 10t of waste per tonne of ore, and Figure 6 shows the potential for a lower ratio.

Beer & Co maintains our Strong BUY, High Risk recommendation.

Beer & Co Research

Pilbara Minerals (PLS.ASX)

July 2015

Year ended June	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Section 1 - P&L								
Sales revenue	\$A m	0	0	17	19	88	130	131
Interest revenue	\$A m	0	0	1	1	1	1	1
Other revenue	\$A m	0	0	0	0	0	0	0
Total Revenue	\$A m	0	0	18	20	89	131	132
Cost of Goods Sold	\$A m	0	0	(8)	(8)	(49)	(68)	(69)
Royalties	\$A m	0	0	0	0	0	0	0
Exploration Expense	\$A m	0	0	0	0	0	0	0
Corporate Costs	\$A m	(1)	(1)	(1)	(1)	(2)	(2)	(2)
Other Operating Expenses	\$A m	0	0	0	0	0	0	0
Total Operating Expenses	\$A m	(1)	(1)	(9)	(9)	(51)	(69)	(70)
EBITDA	\$A m	(1)	(1)	9	11	38	62	62
Dep'n & Amort'n	\$A m	0	0	(8)	(3)	(1)	(3)	(3)
EBIT	\$A m	(1)	(1)	1	8	37	59	59
Interest Expense	\$A m	0	0	0	0	(1)	(1)	(1)
Other	\$A m	0	0	0	0	0	0	0
Pre-Tax Profit	\$A m	(1)	(1)	1	8	36	59	59
Tax Expense	\$A m	0	0	(0)	(2)	(11)	(18)	(18)
NPAT	\$A m	(1)	(1)	1	5	25	41	41
Reported NPAT	\$A m	(1)	(1)	1	5	25	41	41

Section 2 - Key Data

Ordinary shares - year end	m	330.3	619	685	803	803	803	803
Fully diluted shares on issue	m	382.4	671	713	803	803	803	803
Weighted # shares	m	291.5	612	679	774	803	803	803
Earnings per Share		(0.3c)	(0.1c)	0.1 c	0.7 c	3.1 c	5.1 c	5.1 c
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.5 c	2.3 c	2.6 c

Section 3 - Balance Sheet

Cash	\$A m	1	1	19	23	52	66	68
Receivables	\$A m	0	0	3	2	15	16	16
Other	\$A m	0	0	0	0	0	0	0
CURRENT ASSETS	\$A m	1	1	22	26	66	82	84
Receivables	\$A m	0	0	0	0	0	0	0
P, P & E	\$A m	2	4	1	19	19	18	17
Mining Properties / Exploration	\$A m	4	5	4	3	3	3	3
Other	\$A m	0	0	0	0	0	0	0
NON-CURRENT ASSETS	\$A m	7	9	5	22	22	21	19
TOTAL ASSETS	\$A m	8	10	27	47	88	103	104
Payables	\$A m	0	0	1	1	7	7	7
Debt	\$A m	0	2	0	1	3	3	2
Other	\$A m	0	0	0	0	0	0	0
CURRENT LIABILITIES	\$A m	0	2	1	2	9	10	9
Long Term Debt	\$A m	2	0	10	9	6	3	1
Deferred Tax Liability	\$A m	0	0	0	0	0	0	0
Other	\$A m	0	0	0	0	0	0	0
Provisions	\$A m	0	0	0	0	0	0	0
NON-CURRENT LIABILITIES	\$A m	2	0	10	9	6	3	1
TOTAL LIABILITIES	\$A m	2	2	11	10	15	13	10
NET ASSETS	\$A m	6	8	16	37	73	89	93
Accumulated Profit (Loss)	\$A m	(12)	(13)	(12)	(6)	19	47	68
Reserves	\$A m	1	0	(1)	10	20	9	(8)
Contributed Equity	\$A m	17	20	29	33	33	33	33
Minority Interest	\$A m	6	8	16	37	73	89	93
Total Equity	\$A m	6	8	16	37	73	89	93

Section 4 - Cashflow

Net Cashflow from operations	\$A m	(4)	(4)	5	(0)	31	42	40
Net Interest Paid	\$A m	0	0	1	1	0	0	0
Taxes Paid	\$A m	0	0	0	0	(4)	(16)	(18)
Change in Working Capital	\$A m	(0)	1	(22)	(4)	(46)	(16)	(2)
OPERATING CASHFLOW	\$A m	(4)	(3)	(17)	(3)	(19)	10	20
Exploration Expenditures	\$A m	0	1	2	0	0	0	0
Maintenance Capex	\$A m	0	0	0	1	2	2	2
Expansion Capex	\$A m	2	2	1	19	0	0	0
PPE Acquisitions (Total Capex)	\$A m	2	3	3	20	2	2	2
PPE Divestments	\$A m	0	0	0	0	0	0	0
INVESTING CASHFLOW	\$A m	2	3	3	20	2	2	2
Change in Equity	\$A m	2	4	7	4	0	0	0
Dividends Paid	\$A m	0	0	0	0	(13)	(21)	
Change in Debt	\$A m	2	0	8	0	(1)	(3)	(3)
FINANCING CASHFLOW	\$A m	3	4	16	4	(1)	(15)	(23)
Free Cashflow	\$A m	(2)	(0)	(13)	17	(17)	(1)	1
Net Cashflow	\$A m	2	4	2	21	(18)	(4)	(2)

Shareholdings

Neil Biddle	34.438m	5.6 %
Vaughan Blank	33.333m	5.4 %

Commodity price assumptions

Year ended June	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
AUD/USD	0.835	0.750	0.750	0.750	0.750	0.750
Tantalite	US\$ / lb	83	83	83	83	83
Spodumene	US\$ / lb	3.0	3.0	3.0	3.0	3.0

Mine Production, PLS share, '000 pounds

Tabba Tabba Ta2O5	0	209	234	268	260	260
Pilgangoora Ta2O5	0	0	0	253	417	421
Pilgangoora Spodumene	0	0	0	15,050	24,810	25,044

Resources, Reserves and assumed mining inventory

Tabba Tabba Ore Reserves

		Ta2O5 grade	contained Ta2O5
Proved	32 kt	1,420 ppm	100k lb
Probable	101 kt	1,249 ppm	278k lb
Total Reserves	133 kt	1,290 ppm	378k lb
Pit Design	162 kt	1,240 ppm	443k lb

Tabba Rabba Mineral Resources

		Ta2O5 grade	contained Ta2O5
Measured	30 kt	1,610 ppm	107k lb
Indicated	124 kt	1,260 ppm	346k lb
Inferred	58 kt	925 ppm	119k lb
TOTAL	213 kt	1,220 ppm	572k lb

Beer & Co estimated mining inventory, Tabba Tabba

		Ta2O5 grade	contained Ta2O5
Reserves	133 kt	1,290 ppm	378k lb
Pit Design	29 kt	1,012 ppm	65k lb
Other M&I Resources	60 kt	626 ppm	83k lb
Inferred	96 kt	662 ppm	140k lb
Along strike	500 kt	600 ppm	661k lb
Strelly, high grade	500 kt	600 ppm	661k lb
Strelly, balance	900 kt	450 ppm	892k lb
TOTAL	2,217 kt	589 ppm	2,881k lb

Pilgangoora Mineral Resources

Category	Ta2O5 grade	Contained Ta2O5	Li2O grade	Contained Li2O
Indicated	Ta2O5 6.0 Mt 233 ppm	1,396 t	3.1 Mlb	
	Li2O 4.7 Mt			1.36 %
Inferred	Ta2O5 17.8 Mt 208 ppm	3,710 t	8.2 Mlb	
	Li2O 15.7 Mt			1.10 %
				172,800 t

Beer & Co estimated mining inventory, Pilgangoora

		Ta2O5 grade	Li2O grade
High Grade	12.73 Mt	225 ppm	1.42 %
Other Resources	11.10 Mt	202 ppm	1.27 %
Other Mineralisation	52.88 Mt	200 ppm	1.27 %
TOTAL	76.71 Mt	204 ppm	1.30 %

Asset based Valuation

discount rate = 12.0 %

	risk :	100%	Product	per share	30 June 2014	13-Jul-15
Tabba Tabba Resources	85 %	\$ 8m	\$ 7m	0.9 c	1.4 c	
Tabba Tabba Extensions	65 %	\$ 7m	\$ 4m	0.6 c	0.9 c	
Strelly	45 %	\$ 3m	\$ 2m	0.2 c	0.3 c	
franking credits	50 %	\$ 3m	\$ 1m	0.2 c	0.2 c	
Pilgangoora Indicated	50 %	\$ 157m	\$ 79m	10.2 c	16.4 c	
Pilgangoora Inferred	40 %	\$ 28m	\$ 11m	1.5 c	2.5 c	
Pilgangoora Extension	20 %	\$ 7m	\$ 1m	0.2 c	0.4 c	
franking credits	20 %	\$ 80m	\$ 30m	3.9 c	6.8 c	
Corporate	100 %	(\$8m)	(\$8m)	(1.0c)	(1.0c)	
Cash / debt	100 %	(\$0m)	(\$0m)	(0.1c)	(0.1c)	
cash raised	100 %	\$ 12m	\$ 12m	1.6 c	1.2 c	
TOTAL		\$ 297m	\$ 139m	18.2 c	29.0 c	
Shares on issue		330.3m	FPO shares	88.5m options		
		288.2m	issued FY15	88.5m op. ex'd		
		60.9m	CN conversion			

Financial Ratios

Year ended June	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Revenue	\$A m	0	18	20	89	131	132
EBITDA	\$A m	(1)	(1)	9	11	38	62
EBIT	\$A m	(1)	(1)	1	8	37	59
NPAT (reported)	\$A m	(1)	(1)	1	5	25	41
Adjusted EPS (cps)		(0.3c)	(0.1c)	0.1 c	0.7 c	3.1 c	5.1 c
EPS Growth (%)			60 %	185 %	506 %	351 %	62 %
DPS (c)		0.0 c	0.0 c	0.0 c	0.5 c	2.3 c	2.6 c
Dividend Yield (%)		0 %	0 %	0 %	4 %	16 %	18 %
PE adj. (x)	x	(6)	(103)	122	20	4	3
EV / EBITDA (x)	x	(7)	(106)	10	9	2	1
EV / EBIT (x)	x	(7)	(106)	68	13	2	1
Gearing (%)		15 %	36 %	20 %	10 %	6 %	3 %
Return on Assets		(8%)	5 %	16 %	42 %	58 %	57 %
Return on Equity		(10%)	5 %	15 %	35 %	46 %	44 %
EBITDA Margin (%)		n/a	n/a	51 %	57 %	44 %	48 %
Interest Cover (x)	x	n/a	n/a	n/a	n/a	41.8	80.3

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The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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