

5 August 2004

The Manager
Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir

NEW ZONE OF MASSIVE SULPHIDES MINERALISATION INTERSECTED AT JAGUAR

The Directors of Pilbara Mines Limited are pleased to report a massive sulphides intersection of 6.6 metres in hole TBD254 in a new and unexpected area of mineralisation.

As reported in the June 2004 Quarterly Report, the second hole of the program, TBD254, was being drilled in an area expected to be north of an interpreted offsetting fault, and hence expected not to intersect massive sulphides.

The unexpected 6.6 metres of massive sulphides (true width 5.0 metres) intersected a new zone of mineralisation, and extends the resource in the upper zone. The intersection is 66 metres from the recently reported wide high grade intersections in holes TBD252 and TBD252W.

Although the core is currently being cut for assay, visual appearance indicates that copper and zinc grades should be consistent with resource grades. Grades will be announced upon receipt of assays in due course.

TBD254 went on to be drilled beyond the massive sulphides zone through 21 metres of barren dolerite, followed by 26 metres of what appears to be higher grade stringer mineralisation. This zone will also be assayed and presents the potential for feeder zones and other parallel structures of massive sulphides which could be mineable.

Further diamond drilling will be undertaken to follow-up the discovery of this new zone of mineralisation, following completion of the current drill hole which will test the deeper southern zone of the resource.

Yours faithfully
Pilbara Mines Limited



Gary Comb
Managing Director

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