

## SINCLAIR MINE: SHIPMENTS OF POLLUCITE COMMENCE

**Perth, Western Australia: 1 February 2019:** Pioneer Resources Limited (**ASX:PIO**) (“**Pioneer**” or “**the Company**”) is pleased to provide a further update in relation to the sale to pollucite ore to Cabot Specialty Fluids Ltd (“**CabotSF**”) under the binding offtake and funding agreement between the parties (refer ASX release 20 June 2018).

### Key Points

- The first pollucite shipment was exported during the last week of January with monthly shipments planned until all pollucite has been exported (expected during the March quarter 2020);
- The optimal ore blend to be delivered to CabotSF will be fine-tuned as each shipment occurs, its tonnes and grade independently confirmed and then reconciled against Pioneer’s records;
- By 30 June, Pioneer expects to:
  - have shipped just over US\$8 million worth of pollucite; and
  - applied US\$4.8 million to repay the CabotSF Loan advanced in August 2018, with the balance to be paid to Pioneer in cash.
- Post June, additional cash from sales of around US\$8 million is expected to be received by Pioneer from shipping the remaining pollucite.
- Based on the above gross sales of US\$16M, cumulative net cash to be received by Pioneer totals US\$11.2M;
- Sinclair Mine costs for Stage 1 (extraction of pollucite) incurred to date totalled approximately A\$8 million, with minimal ongoing costs;
- Royalties of 7.5% of sales of pollucite are payable to the Western Australian government and 0.5% to Ngadju Native Title Aboriginal Corporation, an entity controlled by the Ngadju people who are the exclusive Native Title-holders of the land where the Sinclair Mine is located; and
- Cabot Corporation (“**Cabot**”) announces the proposed sale of CabotSF to Sinomine.

The sale of pollucite is on an exclusive basis to CabotSF under the offtake and funding agreement in place between the parties. Under the agreement, Cabot provided a US\$4.8 million interest-free loan to fund mining operations, repayable by the delivery of pollucite.

Due to the extremely limited global supply of pollucite and the specialised nature of the caesium downstream market, pricing of pollucite is regarded as highly confidential. Both Cabot and Pioneer are bound under confidentiality to not disclose the pricing terms contained in the offtake agreement.

In order to maintain this confidentiality but still disclose the cash impact of the mining activity, Pioneer has elected to not provide estimations of final saleable quantities and grade as shipped.

## Cabot to Sell its Specialty Fluids Business to Sinomine

Cabot, the parent company of CabotSF, has announced sale of CabotSF to Sinomine Resource Group Co., Ltd., (“Sinomine”) a A\$700 million dollar market valued joint stock public company based in China and listed on the Shenzhen Stock Exchange.

Sinomine is principally engaged in the provision of geological exploration, mining investment and base metal chemical manufacturing, with existing business interests involving caesium, lithium and rubidium chemicals.

Sinomine is known to Pioneer via its subsidiary DPC as a result of the marketing process it undertook when seeking counterparties for the Sinclair Pollucite offtake. Pioneer looks forward to working with Sinomine upon completion of its purchase of Cabot Specialty Fluids Ltd, under the existing offtake agreement and in investigating future ways the companies may work together.

A press release from Cabot Corporation is attached.



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### About Pioneer Resources Limited

Pioneer is a mining and active exploration company focused on key global demand-driven commodities. The Company operates a portfolio of strategically located lithium, caesium, potassium (“alkali metals”), nickel, cobalt and gold projects in mining regions in Western Australia, plus a portfolio of high quality lithium assets in Canada.

**Pioneer Dome Project and the Sinclair Caesium Mine:** In late 2016 Pioneer reported the discovery of Australia’s first caesium (in the mineral ‘pollucite’) deposit. With mining complete, priority will move to the next caesium discovery.

Pollucite is a high value mineral and global supply is very constrained. It is a rare caesium bearing mineral that forms in extremely differentiated LCT pegmatite systems. The primary use of pollucite is in the manufacture of Caesium Formate brine used in high temperature/high pressure oil and gas drilling.

**Cobalt: Golden Ridge Project, WA:** Cobalt demand is expanding in response to its requirement in the manufacture of cobalt-based lithium batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses for cobalt include in the manufacture of super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.

**Nickel: Blair Dome/Golden Ridge Project:** The Company owns the closed Blair Nickel Sulphide Mine located between Kalgoorlie and Kambalda, WA, where near-mine target generation is continuing. The Company recently announced a significant new nickel sulphide drilling intersection at the Leo’s Dam Prospect, highlighting the prospectivity of the greater project area.

### **Caution Regarding Forward Looking Information**

*This document contains forward looking statements concerning the Sinclair Project owned by the Company. Statements concerning mining outcomes and cash for sales may be deemed to be forward looking statements in that they involve estimates based on specific assumptions.*

*Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, variations to sales agreements, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.*

*Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.*

*There can be no assurance that the Company's outcomes for the Sinclair Caesium Mine will eventuate as currently expected. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.*