

## POLLUCITE OFFTAKE UPDATE

**Perth, Western Australia: 26 March 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 Offtake agreement has been amended to better reflect the current situation in terms of the additional tonnes of pollucite stockpiled, the resulting extension to the transport logistics timetable, and to provide flexibility to meet the needs of the combined businesses of CabotSF and Sinomine. (NB: there is no change to the pollucite pricing scale).
- For the year ended 30 June 2019, Pioneer expects to record sales of US\$7.5 million, of which US\$4.8 million is applied to fully repay the CabotSF Loan and US\$2.7 million is received by Pioneer in cash.
- Between July 2019 and January 2020, Pioneer expects to sell a further US\$7 million of pollucite which is 100% settled in cash to Pioneer.
- Pioneer is investigating ways to optimize margins from pollucite sales, including ore-sorting, blending ratios and improvements to the current transport logistics.

As previously advised, Cabot Corporation, the parent company of CabotSF, announced the sale of CabotSF to Sinomine Resource Group Co., Ltd., ("**Sinomine**") a A\$700 million market-valued joint stock public company based in China and listed on the Shenzhen Stock Exchange (refer ASX release 1 February 2019).

Positive meetings have been held with Cabot and Sinomine executives, the latter showing particular interest in Pioneer's planned activities around Sinclair and the Pioneer Dome, and the prospect of finding more pollucite and lithium minerals.

To accommodate the expected closing of the transfer of CabotSF to its new owner, all parties have agreed to schedule the next shipment of pollucite for June and then monthly thereafter.



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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 high quality lithium asset 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.*