



ASX/Media Announcement

Tuesday, 10 April 2018

## **PILBARA SET FOR FIRST LITHIUM REVENUE FROM PILGANGOORA DIRECT SHIPPING ORE**

***First DSO sales imminent following completion of all conditions precedent to the Atlas Mine Gate Sale Agreement; DSO mine production advances at Pilgangoora's Monster Pit***

### **Highlights**

- **USD\$3M pre-payment received from Atlas Iron to help fund DSO establishment costs.**
- **All other conditions precedent to the Mine Gate Sale Agreement with Atlas have now been completed (refer ASX announcement dated 20 December 2017) – including execution of a waiver with GAMG and an end customer off-take agreement between Atlas and Sinosteel Australia Pty Ltd.**
- **Ore deliveries from Pilgangoora's Monster Pit have now commenced to the DSO run-of-mine ore pad.**

Australian lithium developer, Pilbara Minerals Limited (ASX: PLS) ("Pilbara"), is pleased to advise that it has made excellent progress towards achieving first Direct Shipping Ore ("DSO") sales from its 100%-owned Pilgangoora Lithium-Tantalum Project in WA, with first revenue under the Mine Gate Sale Agreement ("Agreement") with Atlas Iron Limited (ASX: AGO) ("Atlas") now imminent.

All conditions precedent to the Agreement with Atlas have been satisfied, including the receipt of the US\$3 million pre-payment required to help fund the establishment costs associated with the DSO program.

Mining of DSO material at the Monster Pit is now well advanced, with ore deliveries to the DSO ROM pad at Pilgangoora having commenced (see photos below). Atlas is expected to take first delivery of DSO material from Pilgangoora pursuant to the Agreement during April 2018.

Under the Agreement, Pilbara will deliver a minimum of 1.0 million tonnes of unprocessed run-of-mine lithium-tantalum material from the Pilgangoora mine to Atlas on a mine gate sale basis, based on a delivery schedule which is designed to allow Atlas to ship 100,000 tonnes of DSO per month to off-take customers. Atlas will utilise its existing processing and logistics infrastructure in the Pilbara to crush the material and ship the DSO to China through its Utah Port shipping facilities in Port Hedland.

The Agreement is expected to deliver a healthy operating cash margin underpinned by an attractive fixed US\$ base price per wet metric tonne of mine gate material sold, subject to adjustments in respect of the final product specifications shipped and the actual shipping costs realised.

### **Additional Information:**

#### **ABOUT PILBARA MINERALS**

Pilbara Minerals ("Pilbara" – ASX: PLS) is a mining and exploration company listed on the ASX, specialising in the exploration and development of the specialty metals Lithium and Tantalum. Pilbara owns 100% of the world class Pilgangoora Lithium-Tantalum project which is among the largest Spodumene (Lithium Aluminium Silicate) projects in the world. Pilgangoora is also one of the largest pegmatite hosted Tantalite resources in the world and Pilbara proposes to produce Tantalite as a by-product of its Spodumene production.

### **Contacts:**

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#### **Pilbara Minerals Limited**



## PHOTOS



**Monster Pit – Mining Area Overview**



**Ore Deliveries – High Grade Ore on Truck**