

Robust PFS for Pilbara at Pilgangoora

Pilbara Minerals Ltd's PFS on the Pilgangoora project has confirmed the viability of a standalone mining operation producing 330,000 tpa spodumene and 274,000 lpa tantalite.

The estimated capital cost for the 2 mtpa project is \$184 million, which can potentially be paid back in two years, assuming operating cash costs of \$US205/t FOB spodumene concentrate.

Project NPV is \$407 million and IRR of 44% has been estimated, while EBITDA over the first five years of operation is \$120 million per annum. Life-of-mine average spodumene prices used in the PFS were \$US456/t.

Pilbara Minerals chief executive Ken Brinsden said the PFS demonstrated Pilgangoora was a robust, long-life project



Pilgangoora, 100km from Port Hedland, could be in commissioning phase in Q4 2017

based on a world-class resource.

A maiden ore reserve of 29.5mt @ 1.31% lithium and 134 ppm tantalite is enough for a 15-year mine life. A 15,000m drilling programme to extend reserves is

under way as part of the DFS.

"Excellent financial returns of the project are underpinned by a relatively modest capital cost," Brinsden said.

"The project will be capable of generating very strong operating margins and cash flows. Pilgangoora is now firmly established as the world's leading lithium development project, which is already attracting strong interest from prospective project financiers and cornerstone investors based on its potential to transform Pilbara into a leading player."

Pilbara Minerals now aims to complete a DFS by Q3 this year, with commissioning at Pilgangoora planned for Q4 2017.

- Brendon Shilling

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BRENDON SHILLING**