



2 March 2018

Atlas to export Pilgangoora lithium DSO to Sinosteel

Atlas Iron Limited (ASX: AGO) is pleased to advise that it has signed an agreement with Sinosteel Australia Pty Ltd for the export of lithium direct shipping ore (DSO) sourced from the Pilgangoora Lithium Project owned by Pilbara Minerals Limited (ASX: PLS).

Atlas will sell up to 1.5 million tonnes of lithium DSO to Sinosteel over a 15-month period on a fixed priced basis. As part of the arrangement, Sinosteel will advance funds to cover prepayments due to Pilbara Minerals for DSO mine development costs.

Pilbara Minerals has commenced an expedited mining program for the lithium DSO. Atlas will process and transport the ore using its existing infrastructure, including its Mt Dove crushing hub and Utah Point facilities (see announcement dated 19 December 2017 for further details).

Atlas will prepare its logistics chain to handle lithium DSO at a very low capital cost and without affecting current iron ore production.

After allowing for payments to Pilbara Minerals and its own costs, Atlas expects to generate an operating margin of \$15-20 per tonne.

Atlas is on track to satisfy remaining conditions precedent in coming weeks to allow first exports to commence in the June 2018 Quarter.

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