

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.

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and
Presentations](#)[Shareholder
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PRESS RELEASE

Cabot Corporation to Divest Its Specialty Fluids Segment for \$135 Million

Sale provides attractive value for shareholders

BOSTON--(BUSINESS WIRE)--Jan. 30, 2019-- [Cabot Corporation](#) (NYSE: CBT) has entered into a definitive agreement to sell its Specialty Fluids business to Sinomine (Hong Kong) Rare Metals Resources Co. Limited, a wholly owned subsidiary of Sinomine Resource Group Co., Ltd., in a transaction valued at \$135 million. The purchase price consists of \$130 million to be paid at closing, subject to customary closing adjustments, and additional cash royalties of up to \$5 million for lithium products, payable over a ten-year period. The transaction is expected to close in the third quarter of fiscal 2019 and is subject to customary closing conditions, including regulatory approvals. Earnings before interest, tax, depreciation and amortization (EBITDA) reported for the Specialty Fluids segment in fiscal year 2018 was \$10 million.

Sinomine is a joint stock public company based in China, principally engaged in the provision of geological exploration, mining investment and base metal chemical manufacturing.

"We are pleased to have reached a deal with the right strategic buyer to help the Cabot Specialty Fluids segment reach its fullest potential," said Sean Keohane, Cabot president and chief executive officer. "As we continue to execute our 'Advancing the Core' strategy, this transaction allows us to maximize the value of the business for our shareholders and focus our resources on advantaged growth initiatives in our core businesses. We view the Specialty Fluids segment as having the best growth potential under the ownership of a strategic partner focused on both mineral mining and downstream chemical manufacture. The Specialty Fluids segment will benefit from being part of a leading mineral industry player that will invest in its long-term growth."

"As a company, we have been very disciplined in making the right strategic acquisitions to enable us to implement the mineral resources supply on a global scale. We specifically seek out opportunities that are based on mutual cooperation, benefit and respect," Pingwei Wang, chief executive officer and executive director, Sinomine Resource Group. "We admire Cabot's commitment to safety, sustainability and innovation, and the accomplishments they have had in the Specialty Fluids business. We are pleased to be working with the Cabot Corporation team throughout this process and look forward to the opportunity to leverage our broad mining expertise to invest in this high potential investment."

Cabot Corporation was advised by Grace Matthews and Jones Day.

ABOUT CABOT CORPORATION

Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider

of rubber and specialty carbons, activated carbon, inkjet colorants, cesium formate drilling fluids, masterbatches and conductive compounds, fumed silica and aerogel. For more information on Cabot, please visit the company's website at: <http://www.cabotcorp.com>.

ABOUT SINOMINE RESOURCE GROUP

Sinomine Resource Group (Shenzhen Stock Exchange: 002738) is a public company, headquartered in Beijing, China. Sinomine has more than twenty subsidiaries globally. The company's main businesses include geological exploration, mining investment and base metals chemicals manufacturing. For more information on Sinomine, please visit the following website at: <http://www.nfmec.com>.

FORWARD-LOOKING STATEMENTS

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release involving the Company that are not statements of historical fact, including our expectations for the timing of the closing of this transaction, are forward-looking statements and are subject to risks and uncertainties. For a discussion of the risks and uncertainties that could cause results to differ from those expressed in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

USE OF NON-GAAP FINANCIAL MEASURE

This press release includes a discussion of EBITDA for the Specialty Fluids segment for fiscal year 2018, which is a non-GAAP financial measure. EBITDA is not computed in accordance with generally accepted accounting principles ("GAAP") and should not be considered as an alternative to financial measures computed in accordance with GAAP. A

reconciliation of Specialty Fluids EBITDA to Specialty Fluids EBIT, the most directly comparable GAAP financial measure, is provided with the [Non-GAAP Reconciliations](#) for Q4 2018 on the Investors section of the Cabot Corporation website.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20190130005411/en/>

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