17 September 2009

ASX/MEDIA ANNOUNCEMENT

COMPANY UPDATE:

• LIGNUM DAM DIAMOND DRILLING COMMENCES
• RC DRILLING RESULTS UPDATE
• GENERAL MEETING PRESENTATION

1. Diamond Drilling Commences at Lignum Dam.

Diamond core drilling has commenced at the Company’s 100% owned Lignum Dam Gold Project.

The diamond drilling program includes extensions to six reverse circulation drill holes which were drilled last month. Information from diamond drill core will be used by the Company’s geologists when planning further drilling campaigns. Drill core (rather than RC cuttings) is also favourable for studying ore mineralogy and rock density.

The drilling program is expected to take 2 weeks and results will be released as they become available.

2. Individual Assays From Composite Samples

An additional 446 samples, from 21 of the 27 RC holes recently drilled, were submitted for assay. These samples, which had generally been submitted as 4-metre composites, returned aggregated intercepts slightly narrower than the original composite, with higher grade having had marginal dilution excluded.

A drill hole summary, which includes the updated significant results from this round of drilling, is provided as Table 1. Diagrams, which include annotated drill hole layouts, are also included in the accompanying presentation.

3. Company Presentation

Please find attached a copy of the Company’s Exploration Update Presentation which will be presented to shareholders at Pioneer’s General Meeting, being held at 21 Ord Street, West Perth, at 10.00am today.

Yours faithfully

Managing Director
For more information please contact:

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Glossary

“g/t” means grams per tonne and refers to the amount of gold extrapolated to be contained in a tonne of sample.

“RAB” means Rotary Air Blast, an inexpensive method of exploration drilling which generates pulverised geochemical samples.

“RC” means Reverse Circulation, a method of drilling whereby pulverised sample is returned to the surface via a central tube running up the length of the drill pipe. Samples are much less prone to contamination, therefore may be used for ore reserve calculations.

“Diamond drilling” generates a solid cylinder (“core”) of rock, cut by a rotating diamond-faced drill bit. This is the most precise method of sampling and much more geological and geotechnical information can be gained from the core.

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a member of the Australasian Institute of Mining and Metallurgy and is a Competent Person with over 20 years experience in the minerals industry, including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.
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<th>East (m)</th>
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September 2009
David Crook, Managing Director
Extraordinary General Meeting
DISCLAIMER AND COMPETENT PERSONS STATEMENT

• This presentation is provided to you for the sole purpose of providing preliminary background technical, financial and other information to enable you to review the business activities of Pioneer Resources Limited (“Pioneer”).
• The material provided to you does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities.
• This presentation may contain “forward looking statements” which are made in good faith and are believed to have reasonable basis. However, such forward looking statements are subject to risks, uncertainties and other factors which could cause the actual results to differ materially from the future results expressed, projected or implied by forward looking statements.

• I am a Competent Person as defined by the 2004 JORC Code.
• I am a Member of The Australasian Institute of Mining and Metallurgy
• I verify that the presentation is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results.
• I consent to the release of the Presentation in this form.
Pioneer at a Glance

Pioneer is an emerging, successful explorer. Our share price is improving following initial exploration success in a hot commodity, gold.

• Has 2,300km$^2$ of tenements near Kalgoorlie, Western Australia.
• Has made a significant new Gold Discovery 50km north of Kalgoorlie.
• The Lignum Dam Project:
  – shows good size potential,
  – has indications of high grade gold and
  – is close to existing major gold producers.
• Inaugural RC Drilling successfully completed. Significant and promising results returned.
Financial Snapshot

- Issued shares: 221.0m
- Unlisted Options: 11.85m
- Share Price: 6.4c
- 12 Month Range: 2.0 – 7.5c
- Market Capitalisation: $14m
- Cash (approx): $1.8m

Largest Shareholders

- Xstrata Nickel: 9.7%
- O Dupuy: 3.8%
- IJ Buchhorn: 3.2%
Craig McGown – Chairman
An Investment Banker with over 35 years experience consulting to companies in Australia and internationally, particularly in the natural resources sector. The former Chairman of DJ Carmichael and is now with New Holland Capital.

David Crook – Managing Director
The founding Managing Director since 2003. A geologist with 30 years experience in the mining industry, including senior exploration, mining and management roles with a number of Australian and international companies.

Allan Trench – Non-Executive Director
A mineral economist, geophysicist, academic and business management consultant. Previously held senior exploration and business advisory roles. Now a metals analyst with an international consultancy, professional company director, consultant, Adjunct Professor and author.
If you have a good manager in a bad industry, then the industry will beat the manager. Similarly, an average manager in a good industry will look like a star. **Pioneer is mindful of “which industry!”**

Pioneer has maintained a multi-commodity approach to exploration within a very large tenement portfolio in one of the world's great mineralised provinces.

This has provided Pioneer with space and flexibility, which has resulted in the discovery of Gold at the Lignum Dam Project.

**GOLD IS CURRENTLY A GOOD INDUSTRY**

- **Gold**
- **Aluminium**
- **Alumina**
- **Tin**
- **Met Coal**
- **Met Coke**
- **Manganese**
- **Nickel**
- **Zinc**
- **Platinum**
- **Palladium**
- **Cobalt**
- **Copper**
- **Phosphate Rock**
- **Vanadium**
- **Bauxite**
- **Iron Ore**
- **Silver**
- **Uranium**
- **Sulphur**
- **Sulphuric Acid**

- Indicative forecast average 2011 prices versus January 2009 base
- From CRU Group public presentation March 2009.
An under-valued stock can stay under-valued for a long time. So what will trigger a revaluation for Pioneer?

A Gold Discovery sits at the base of the convex development curve. A HIGH IMPACT POINT?
Pioneer holds a large strategically located landbank

Situated within an hours drive of Kalgoorlie – 2,300km².

In the order of 100Moz of Gold has been produced within the map area - there is a good reason why it is called the Eastern Gold Fields.
Lignum Dam Gold
SSNW Project – 100% Pioneer

- A new gold project 50km from Kalgoorlie, WA
- Geological setting is similar to nearby Golden Cities / Federal Mines
- Pioneer’s target is to identify a 1M oz mineral resource
- This project is close to existing milling facilities – may reduce project capital requirements
- Gold price is very high in US$
- Aim to determine project feasibility within two-three years
Anomalies are based on RAB geochemistry and SAM geophysics.

Tregurtha RAB anomaly tested with 19 RC holes

16 holes intersected significant mineralisation

Hughes RAB anomaly tested with 8 RC holes

5 holes intersected significant mineralisation
• Image of SAM geophysical data with NW orientated dipoles indicates conductive weathering zones at Tregurtha. Deep weathering is often evident over mineralised structures.

• This will aid follow-up drilling, indicating strike and strike extensions to mineralisation.
• Significant high grade mineralisation intersected.
• Open north & south along strike, and down dip.
• Diamond drilling has commenced to confirm the strike of mineralised structures.
• Four RC holes will be deepened.
• Two new holes will test revised strike orientation.
- LDRC015: 8m at 8.55g/t
- LDRC016: 19m at 1.73g/t
- LDRC020: 10m at 5.72g/t
- LDRC021: 18m at 5.85g/t
- LDRC022: 13m at 1.99g/t
- LDRC022: 7m at 3.76g/t
- LDRC024: 13m at 1.94g/t
- LDRC027: 10m at 2.35g/t
Potential for moderate tonnage. Structural/RAB anomaly 700m long.

Lengthy anomalous intercepts may indicate proximity to mineralisation which will be better sampled by a drill hole with a different azimuth.

Diamond core drilling will be used to confirm the strike of mineralised structures.

- LDRC003: 10m at 2.30g/t
- LDRC005: 4m at 4.89g/t
- LDRC007: 13m at 2.09g/t
- LDRC007: 20m at 1.56g/t
• Imagery of SAM geophysical data (this time with a NE dipole layout) shows mineralisation in both RAB and RC drilling aligns well with an ENE conductive feature.

• This interpretation indicates that RC drilling was undertaken at a very oblique angle to the mineralised strike.

• It also indicates untested potential to the ENE.
Lignum Dam Gold
SSNW Project – 100% Pioneer

- Within Lignum Dam more soil anomalies require RAB drilling
- More RAB anomalies require infill drilling
- Other RAB anomalies require first pass RC drilling
- Top and Airstrip Prospects require structural drilling
- Tregurtha and Hughes will be drilled out
- Six other soil anomalies in satellite locations require work (Next slide)
Project Pipeline

**Golden Ridge JV (Leo’s Dam) Nickel Project (PIO 56%)**

The Leo’s Dam Prospect has strongly anomalous nickel, copper and PGE assay results from shallow drilling - consistent with a magmatic nickel sulphide source.

**Ravensthorpe JV (Mt Chester) Manganese Project (PIO 75%)**

As China’s urbanisation plan advances, manganese will remain in demand. On average 7.5 kg of manganese is required per tonne of steel produced. Pioneer’s Project is aided by established local infrastructure including the Town of Ravensthorpe and Port of Esperance.

Pioneer has applied for Government funding under a recently announced drilling initiative.

**Mt Thirsty South Cobalt-Nickel Project (PIO100%)**

Tenement neighbours, BAR and FIS, are undertaking metallurgical, economic and engineering studies for their Mt Thirsty Cobalt Project. Positive study outcomes will enhance project value for Pioneer as ore types should be similar.

Nickel Sulphide potential is also recognised.
Pioneer has resumed operational management of project with Xstrata funding all work

- A two year budget totalling $1.2M is established
- Pioneer will be then free-carried with a 20% project equity
- Intact mineralised basal contact intersected
Golden Ridge JV Ni Project – Pioneer 56%

Priority Leo Dam Target discovered

70m at 0.60% Ni, 658ppm Cu and 344ppb Pd+Pt
44m at 0.70% Ni, 1095ppm Cu and 452ppb Pd+Pt
73m at 0.53% Ni, 468ppm Cu and 202ppb Pd+Pt

The Leo Dam Prospect has strongly anomalous nickel, copper and PGE assay results from shallow drilling - consistent with a nickel sulphide source.
Mt Thirsty South Co-Ni Project – 100% Pioneer

- Located near Norseman WA
- Scoping RAB drilling completed. Results included:
  - 6m at 0.15% Co, 0.35% Ni, 1.04% Mn, and
  - 3m at 0.46% Co, 0.26% Ni, 5.80% Mn.
- BAR and FIS are undertaking metallurgical, economic and engineering studies. Very encouraging results reported
- Positive study outcomes will enhance project value for Pioneer as ore types should be similar
Mt Chester Mn Project - 75% Pioneer

- As China’s urbanisation plan advances, manganese will remain in demand

- Project is aided by established local infrastructure: Ravensthorpe and Port of Esperance

- On average 7.5 kg of manganese is required per tonne of steel produced.
Why Pioneer....? 

• **EXPLORATION SUCCESS IN HOT COMMODITY**
• **HIGH IMPACT POINT IN PROJECT DEVELOPMENT**

• Has 2,300km² of tenements near Kalgoorlie, Western Australia.

• The Lignum Dam Project:
  – shows good size potential
  – has indications of high grade gold and
  – is close to existing major gold treatment facilities.

• Inaugural RC Drilling is complete – results are exciting

• Company is well funded and intends to fast-track exploration at Lignum Dam