9 October 2012

ASX/Media Announcement

Acquisition of Fairwater Nickel and Gold Project, Albany-Fraser Mineral Province

- Acquisition delivers a 75% interest in all commodities to Pioneer.

- The Fairwater Project covers 338 km² of predominantly granted tenure within the Albany-Fraser Orogenic Zone, an emerging mineral province and host to the world-class Tropicana Gold Project and Nova Nickel-Copper discovery.

- The Project has significant nickel and gold targets already identified based on 1990s geochemistry surveys.

- The total acquisition consideration is a package comprising reimbursement of approximately $40,000 cash, 11.5 million shares and 45 million options (15 million exercisable at 10 cents and 30 million exercisable at 30 cents).

- A detailed soil geochemistry program to infill two priority nickel anomalies and one gold anomaly has commenced. Results, expected during November, will assist the layout of electromagnetic surveys later this year.

Pioneer Resources Limited (“Pioneer” or the “Company” (ASX: PIO)) is pleased to announce that it has reached agreement with National Minerals Pty Limited, a privately held exploration company, to acquire a 75% interest in the Fairwater Project in the Albany-Fraser Mineral Province, Western Australia.

The Fairwater Project is located approximately 50km southwest of Enterprise Metals Limited’s Plato Prospect and 105km southwest of Sirius Resources Limited’s Nova Prospect, both of which occur in similar aged Proterozoic rocks.

Pioneer’s Managing Director Mr David Crook said, “Given the recent discovery of Nova and the associated acceleration of exploration in the Fraser Range, the acquisition of the Fairwater Project opens the door to a very exciting exploration opportunity for Pioneer.”

Soil sampling on an 800x80m grid by Pan Australian Resources NL in 1998 resulted in the identification within the Fairwater Project of two nickel anomalies each with a strike length exceeding 4km, as well as a 6km long gold anomaly. Importantly, these targets occur adjacent to major structural zones capable of acting as conduits for a mineralising event.
“By acquiring an interest in the Fairwater Project, Pioneer gains entry as an early mover into the emerging Albany-Fraser Province, which is rapidly becoming an important Western Australian mineral belt, following the discovery of the world class Tropicana Gold Project and the Nova Nickel Copper Deposit,” said Mr Crook.

Pioneer’s initial priority will be the FWN001 and FWN002 targets: two robust nickel-copper anomalies that occur within similar aged rocks and in an analogous structural setting to the Nova Prospect. Soil sampling has commenced, and the Company plans to complete electromagnetic (EM) surveys later this year. Subject to results, the first drilling will take place during the first half of 2013.

<table>
<thead>
<tr>
<th>Feature</th>
<th>FWN001*</th>
<th>FWN002*</th>
<th>Sirius – Nova*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anomaly length</td>
<td>4000m</td>
<td>5000m</td>
<td>800m</td>
</tr>
<tr>
<td>Max Ni in soils</td>
<td>250 ppm</td>
<td>102 ppm</td>
<td>271 ppm</td>
</tr>
<tr>
<td>Max Cu in soils</td>
<td>68 ppm</td>
<td>41 ppm</td>
<td>90 ppm</td>
</tr>
<tr>
<td>Controlling Fault</td>
<td>Yes, NNW trending</td>
<td>Yes, NNW trending</td>
<td>Yes, NNE trending</td>
</tr>
<tr>
<td>EM conductor</td>
<td>Scheduled 2012</td>
<td>Scheduled 2012</td>
<td>Yes</td>
</tr>
<tr>
<td>Age of rocks</td>
<td>Proterozoic/Archaean contact</td>
<td>Proterozoic/Archaean contact</td>
<td>Proterozoic</td>
</tr>
<tr>
<td>Lithology</td>
<td>Mafic-ultramafic</td>
<td>Mafic-ultramafic</td>
<td>Mafic</td>
</tr>
</tbody>
</table>

Other nickel and gold anomalies within the Project will also be covered with new soil geochemistry.

**The Fairwater Project**

Results from auger-soil sampling by Pan Australian Exploration Pty Ltd (“Pan Australian”) in the 1990s identified two robust nickel-copper anomalies (FWN001 and FWN002) overlying an interpreted mafic-ultramafic complex of Proterozoic age rocks (*Figure 1*), adjacent to a major NNW-SSE trending crustal structure which separates the Proterozoic terrain from a wedge of Archaean terrain. Such terrain bounding structures, along with the interpreted presence of a mafic-ultramafic complex, and coincident Ni-Cu soil anomalism, make this project highly prospective for nickel-copper and platinum group metals.

The FWN001 target forms a discrete anomaly (*Figure 2*), 4km long directly overlying the Proterozoic-Archaean bounding structure with auger-soil assays up to 250 ppm Ni and 68 ppm Cu. FWN002 lies approximately 3km south of FWN001 and also forms a discrete 5km long anomaly overlying the Proterozoic-Archaean terrain boundary, with auger-soil assays up to 102 ppm Ni and 41 ppm Cu. These anomalies have been defined on wide-spaced 800m lines, which are being infilled to assist in the layout of an electromagnetic survey due to commence later this year.

In addition to the nickel targets, a large gold anomaly, FWA001, has been identified. The gold anomaly lies adjacent to the interpreted NW-SE Munglinup-Dalyup Gneiss terrain boundary, sub-parallel and approximately 6km west of the Proterozoic-Archaean terrain boundary. Such deep-seated structures are considered excellent conduits for gold-bearing fluids. FWA001 (*Figure 3*), extends for over 4km above a lower threshold of 8 ppb Au to a maximum of 18 ppb Au, coincident with an apparent fault jog. It is worth noting that the Au response in the Albany-Fraser terrain is known to be subdued with a threshold of 3 ppb Au typically considered significant (e.g. the Tropicana Deposits).
Figure 1: Albany Fraser Province showing the Fairwater Project and other metal discovery locations.
Figure 2: FWN001 and FWN002 nickel in soil anomalies GSWA-interpreted terrain-bounding structures. Background Pan Australian nickel geochemistry image.

Figure 3: FWA001 gold in soil anomaly with GSWA-interpreted terrain-bounding structures. Background Pan Australian gold geochemistry image.
About Pioneer Resources Limited

Pioneer Resources Limited is a specialist exploration company searching for gold and base metals in the Kalgoorlie District of Western Australia. The Company strives to create shareholder value by combining work on advanced projects with active project generation from within the Company’s 100%-owned and joint venture tenement portfolio.

Competent Person

The information in this report is based on information provided by the vendor to Mr David Crook from open file data available from the DMP, Western Australia. Mr Crook is a full-time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893). Mr Crook has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Crook consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Caution Regarding Forward Looking Information

This document may contain forward looking statements concerning the projects owned by the Company. Statements concerning mining reserves and resources may also 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, 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 plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of the Company’s mineral properties. Circumstances or management’s estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

The Pan Australian Auger samples predominantly came from the first meter below surface, and were sieved to -2mm with ~1kg sent for analysis by Genalysis Laboratories, Perth. The sample was pulverised to 85% passing 75µm and a 50gm charge was digested by aqua regia with solvent extraction. Gold (Au) was analysed by graphite furnace AAS with a detection limit of 1 ppb., Ni, Cu, As, Cr and Zn were analysed by AAS. All sample points were located by differential GPS. Pan Australian QAQC program consisted of 1/50 duplicates and 1/100 field standards.