Exploration Update

- Drilling Rig mobilises to the Acra Gold Project to drill for high grade gold at the Kalpini South Prospect; before moving to
- The Golden Ridge Nickel Project where drilling will target EM conductors at Duplex Hill and elsewhere; and
- The rain-delayed EM surveys at the Fairwater (Albany Fraser) Project to commence later this week.

Pioneer Resources Limited ("Pioneer" or the "Company" (ASX: PIO)) is pleased to provide an update of its exploration activities to the market.

Acra Gold Project – Drilling Resumes

In April 2013, the Company reported that it had intersected high grade gold at its Kalpini South Prospect. Drilling will resume here on Tuesday 15 October 2013 following the completion of a archaeological study of the drill sites. Previously announced results included:

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<th>Azimuth</th>
<th>From (m)</th>
<th>To  (m)</th>
<th>Interval (m)</th>
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</table>

See ASX announcement, 19 April, 2013

The Kalpini South Prospect is one of 10 gold targets that the Company plans to progressively test. To date the Company has drilled only the one orientation traverse of RC drilling here, which intersected thick zones of high grade gold at a reasonably shallow depth. The target has a north-south strike length of 400m.

Step-out drilling will target the mineralised structure, and if successful, will be the start of the process to establish a gold mineral resource. It is noteworthy that the drilling is taking place approximately 200m south along strike from the Kalpini Gold Project, owned by KalNorth Gold Mines Limited (ASX: KGM). KGM has reported a 255,000oz combined Mineral Resource for the Kalpini Gold Project (refer KGM September 2012 Quarterly Activities Report).
Pioneer’s drilling program will see up to 21 reverse circulation holes drilled, with the first results expected before the end of October 2013. Subject to results, further drilling can be completed before the end of the year.

**Golden Ridge Nickel Project – Drilling Follows**

In April 2013 the Company reported that from 16 targets, it had identified 5 priority electromagnetic ("EM") conductance anomalies. These have been modelled and drill holes planned.

Following the Kalpini South program drilling will test these EM targets. The program will see five holes drilled for approximately 1,500 metres of RC and diamond drilling, followed by down-hole EM surveys.

EM geophysical surveys are used to locate conductive rock units, which may include nickel sulphide mineralisation. There are a number of configurations of electrical loop transmitters, receivers and data processing available depending on the application.

As used at Golden Ridge, the SAMSON is a type of modern EM receiver introduced during 2012 to better discriminate between massive nickel sulphide bodies and other conductive stratigraphy such as black shale. This system is capable of taking sequential readings to a relatively late time (2 sec) and hence is better able to distinguish the longer EM decay signatures of highly conductive massive sulphide bodies.

Pioneer was awarded a grant under the State Government exploration incentive scheme which will partially fund the cost to drill these holes.

**Blair Nickel Mine Model**

Pioneer’s consultant mining engineer is on track with the 3D model of remnant and indicated mineralisation based on mine plans and near-mine drill holes. This is expected to be received by Pioneer towards the end of October, 2013.

**Fairwater Nickel and Gold Project – Ground EM Commences**

In late 2012 Pioneer acquired an entry point into the Albany-Fraser Orogenic Zone, an area of increasing mineral importance in Australia. The Fairwater Project currently comprises approximately 650 km² of tenements and is located approximately 105km south west of Sirius’ world class Nova and Bollinger Nickel Deposits. It also hosts the world-class Tropicana Gold Deposit.

Fraser Range nickel sulphide deposits are classed as ‘mafic intrusive hosted’, a class of deposit that includes Voysey’s Bay in Canada and Radio Hill in Western Australia amongst others. This style of deposit occurs within areas where tectonic events have resulted in zones of crustal thinning, often adjacent to major crustal sutures.

Within the Fairwater Project, Pioneer’s consultant geochemist interpreted a cluster of nickel anomalies within an apparent oval mafic or ultramafic rock unit, referred to as the FWN001 Prospect, which is of a similar in size and age to the feature that hosts the Sirius’s Nova nickel-copper deposit.

A helicopter-borne VTEM survey completed earlier in 2013 identified 12 conductors, of which 3 were coincident with nickel geochemistry anomalies. The next exploration step is to test the VTEM anomalies with a much more powerful ground EM system which, if successful, will generate drill targets.

Elsewhere within the Project, targeting using available geochemistry data has identified a further three nickel prospects comprising oval Proterozoic-aged structures with coincident nickel geochemistry and magnetic spikes; and six large areas with anomalous gold geochemistry. These will be progressively evaluated.
Figure 1: Tenement Location Plan showing the locations of prospects mentioned in this announcement.
Figure 2. Drill hole cross section at the Kalpini South Prospect showing strongly mineralised intersections. This gold-bearing structure will be targeted north and south along strike in the current drilling program.

Figure 3. EM conductive plates (green) at Duplex Hill (left) and Black Shadow (right). Shallow historic drilling has already intersected disseminated nickel sulphides (red) which sit adjacent to the Duplex Hill conductor – making this a very high priority target. Pioneer’s proposed holes are shown in yellow.
Figure 4: The Fairwater FWN001 Prospect. Top: VTEM max conductivity, Middle: Nickel geochemistry, Lower: aeromagnetic image. Rectangles are the areas for the current ground fixed loop EM survey.

David Crook
Managing Director
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 Statement

The information in the Announcement is based on information collected by the Company or provided to the Company, including 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.

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.

- Drill hole coordinates GDA94: Zone 51, Collar positions determined by hand held GPS.
- Drilling (hole prefix KSRC) by reverse circulation face sampling hammer, then 1 metre samples split and bagged.
- 3-5kg sample preparation by pulp mill to nominal P80/75um.
- Au assays by 50g Fire Assay (Intertek analysis code FA50/SAA). 1ppb lower detection limit.
- Certified Reference Standards were inserted at regular intervals to provide assay quality checks. The standards reported within acceptable limits.
- Interception grades reported are of 1m samples. Length weighted average grade reported.
- Intercepts are “down-hole” metres. No estimate regarding true thickness is made or implied.