



PIONEER RESOURCES LIMITED

ABN 44 103 423 981

**Notice of Annual General Meeting
and Explanatory Statement**

Incorporating

PROXY FORM

To be held

Thursday 19 November 2009
commencing at 2pm

at

The Celtic Club
48 Ord Street
West Perth
Western Australia

Shareholders are advised that a copy of the Annual Report is available on the Company's website at www.PIOresources.com.au, or will be sent to shareholders without charge upon request.

www.PIOresources.com.au



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Pioneer Resources Limited ("**Company**") will be convened at 2pm on Thursday 19 November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia to consider, and if thought fit, to pass the following Resolutions.

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

ORDINARY BUSINESS

To receive and consider the annual financial statements of the Company and the reports of the Directors and the Auditor for the financial year ended 30 June 2009.

The financial statements are contained in the Company's 2009 Annual Report sent to Shareholders with this Notice of Annual General Meeting. Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to the financial statements.

To consider and if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

"That, for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report contained in the 2009 Annual Report which accompanies this Notice be adopted by Shareholders."

In accordance with section 250R(3) of the Corporations Act 2001, this resolution is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 – RE-ELECTION OF DR ALLAN TRENCH AS A DIRECTOR

"That, Dr Allan Trench, being a Director of the Company, retires by rotation in accordance with clause 7.3(a) of the Company's Constitution and, being eligible for election, be hereby re-elected as a Director of the Company."

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

"That pursuant to Listing Rule 7.4 of the ASX Listing Rules, and for all other purposes, the Company approve and ratify the allotment and issue of 33,136,270 ordinary shares in the capital of the Company at an issue price of 5.2 cents each, raising in total \$1,723,086 to the parties specified in and on such terms and conditions referred to in the Explanatory Statement accompanying this Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – MANDATE TO ISSUE UP TO 20 MILLION ORDINARY SHARES

“That, in accordance with ASX Listing Rule 7.1, and for all other purposes, the Directors be authorised at their discretion to allot and issue up to 20 million ordinary shares in the capital of the Company at a minimum issue price which is at least 80% of the volume weighted average market price of ordinary shares in the capital of the Company trading on the ASX over the last 5 business days on which sales were recorded before the day on which the issue was made.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 - APPROVAL OF THE GRANT OF OPTIONS TO MR DJ CROOK OR HIS NOMINEE

“That pursuant to ASX Listing Rule 10.11, section 208 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approve and authorise the grant and issue of 4,000,000 unlisted options to subscribe for 4,000,000 ordinary shares in the Company to Mr DJ Crook, the Managing Director (or his nominee) for no consideration in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by or on behalf of Mr Crook (or his nominee) or any associate of Mr Crook (or his nominee). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 - APPROVAL OF THE GRANT OF OPTIONS TO MR C MCGOWN OR HIS NOMINEE

“That pursuant to ASX Listing Rule 10.11, section 208 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approve and authorise the grant and issue of 1,500,000 unlisted options to subscribe for 1,500,000 ordinary shares in the Company to Mr C McGown, the Chairman (or his nominee) for no consideration in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by or on behalf of Mr McGown (or his nominee) or any associate of Mr McGown (or his nominee). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 - APPROVAL OF THE GRANT OF OPTIONS TO DR A TRENCH OR HIS NOMINEE

"That pursuant to ASX Listing Rule 10.11, section 208 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approve and authorise the grant and issue of 1,000,000 unlisted options to subscribe for 1,000,000 ordinary shares in the Company to Dr A Trench, a Non-Executive Director (or his nominee) for no consideration in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by or on behalf of Dr Trench (or his nominee) or any associate of Dr Trench (or his nominee). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 8 – INCREASE IN NON-EXECUTIVE DIRECTORS FEES THRESHOLD

"That in accordance with clause 7.5(a) of the Company's Constitution, the aggregate fees for Non-Executive Directors of the Company, acting in the capacity as Non-Executive Directors be set at an amount not exceeding \$400,000 per annum."

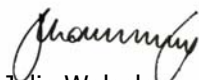
Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any Director of the Company or any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.

Dated this 2 October 2009

BY ORDER OF THE BOARD



Julie Wolseley

COMPANY SECRETARY

PROXIES

- Votes at the annual general meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- A proxy may but need not be a Shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm WST on Tuesday 17 November 2009 will be entitled to attend and vote at the Annual General Meeting.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act 2001 in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act 2001 and the Official Listing Rules of the ASX Limited ("ASX Listing Rules").

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The Explanatory Statement sets out an explanation of each of the Resolutions to be put to Shareholders.

ORDINARY BUSINESS

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2009 (including the financial statements, Directors' report and auditor's report) was included in the 2009 Annual Report of the Company which is available on the Company's website at PIOresources.com.au.

Time will be allowed during the Annual General Meeting for consideration by Shareholders of the financial report and the accompanying Directors' and auditor's reports.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act 2001 requires that the Directors of the Company include a Remuneration Report in the Company's Annual Report and that the Directors put a non-binding resolution to Shareholders each year that the Remuneration Report be adopted.

The Remuneration Report is set out in the Company's 2009 Annual Report. The Annual Report is also available on the Company's website at www.PIOresources.com.au

The Remuneration Report:

- outlines the Board's policy for determining the nature and amount of remuneration of the Company's Directors and senior management;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance conditions applicable to the remuneration of a Director or senior manager;
- details the remuneration (including options) of each Director of the Company for the year (the Company has no executive directors other than the Managing Director); and
- summarises the terms of any contract under which any Director is engaged, including the period of notice required to terminate the contract and any termination benefits provided under the contract.

The vote on the resolution is advisory only and does not bind the Directors of the Company. Nor does it affect the remuneration paid or payable to the Company's Directors. The Company will not be required to alter any arrangements in the Remuneration Report should the resolution not be passed. However, the Board will take the outcome of the resolution into account when considering a future remuneration policy.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 1.

2. RESOLUTION 2 - RE-ELECTION OF DR ALLAN TRENCH AS A DIRECTOR

The Constitution of the Company requires that one third of the Directors in office (other than a managing director) must retire by rotation at each annual general meeting of the Company.

Dr Trench therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including nickel, gold, vanadium and mineral sands. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd and is now with CRU, an independent business analysis and consultancy group.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

On 30 September 2009 the Company announced to ASX that it had completed a share placement of 58,136,270 ordinary shares at an issue price of 5.2 cents per share raising \$3,023,086 (before issue costs). The share placement was offered and accepted by professional and sophisticated investors within the exemptions detailed in section 708 of the Corporations Act 2001.

On 17 September 2009 the Company received Shareholder approval to issue up to 25,000,000 ordinary shares at a minimum issue price of at least 80% of the volume weighted average market price of ordinary shares in the capital of the Company trading on the ASX over the last 5 days on which sales were recorded before the day on which the issue was made and within 3 months after the date of the General Meeting.

As a result Shareholder approval is now being sought to ratify the previous issue of the remaining balance of 33,136,270 ordinary shares (being the difference between the 58,136,270 ordinary shares and the 25,000,000 ordinary shares previously approved by Shareholders on 17 September 2009).

Resolution 3 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify the previous issue of securities. The Company confirms that the allotment and issue of the securities the subject of Resolution 3 did not breach the ASX Listing Rule 7.1.

The number of securities placed did not exceed the 15% limit. However, Shareholder ratification is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of equity securities issued was 58,136,270 ordinary shares of which 25,000,000 ordinary shares were approved by Shareholders on 17 September 2009 and the balance of 33,136,270 ordinary shares was issued and is now subject to formal ratification;
- (b) the issue price was 5.2 cents per share;
- (c) 45,597,040 ordinary shares were allotted and issued on 28 September 2009, 9,539,230 ordinary shares were allotted and issued on 29 September 2009 and 3,000,000 ordinary shares were allotted and issued on 30 September 2009;
- (d) the ordinary shares were issued on the same terms and conditions as the Company's existing ordinary shares on issue, and ranked pari passu in all respects with all other ordinary shares in the Company on issue;
- (e) the allottees were professional and sophisticated investors in accordance with the Corporations Act 2001 as follows:

Allottees	Number of Ordinary Shares Allotted
Clients of Patersons Securities Limited	10,000,000
Clients of Taylor Collison Limited	10,000,000
Clients of DJ Carmichael & Co	10,000,000
Clients of CK Locke & Partners	10,000,000
Clients of Bell Potter Securities Limited	3,000,000
A client of Venture Group Equities Pty Ltd	6,000,000
Other sophisticated investors	9,136,270
Total	58,136,270

EXPLANATORY STATEMENT

- (f) the funds were raised to supplement ongoing funding at the Company's Lignum Dam Gold Project and augment working capital requirements;
- (g) no related parties participated in the above equity issue; and
- (h) the issue of the above ordinary shares was made within the Company's capacity to issue securities without Shareholder approval pursuant to ASX Listing Rule 7.1.

The Company as at 30 September 2009 had 279,044,749 ordinary shares and 11,850,000 unlisted options on issue.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 3.

4. RESOLUTION 4 – APPROVAL TO ISSUE UP TO 20 MILLION ORDINARY SHARES

Resolution 4 seeks Shareholder approval to issue up to 20 million ordinary shares at a minimum issue price which will be at least 80% of the volume weighted average market price of ordinary shares in the capital of the Company trading on the ASX over the last 5 days on which sales were recorded before the day on which the issue is to be made and within 3 months after the date of the Annual General Meeting.

Listing Rule 7.1 of the ASX Listing Rules limits the number of equity securities which a listed company may issue in any 12 month period without Shareholder approval (subject to certain exceptions). The maximum limit is 15% of the total number of ordinary securities on issue at the beginning of any 12 month period plus the number of ordinary securities issued with the approval of Shareholders (or under one of the express exceptions to Listing Rule 7.1) during the previous 12 months. If Shareholders pass Resolution 4, the effect is that the ordinary shares proposed to be issued under the mandate will be excluded from the calculation of equity securities permitted to be issued under the annual 15% limit.

For the purposes of Listing Rule 7.3 of the ASX Listing Rules, the following information is provided:

- (a) the maximum numbers of securities the Company will allot and issue is 20 million ordinary shares in the Company;
- (b) the allotment and issue of the ordinary shares may be issued progressively within 3 months after the date of the Annual General Meeting to consider Resolution 4;
- (c) the issue price of the securities will be at a minimum issue price which is at least 80% of the volume weighted average market price of ordinary shares in the capital of the Company trading on the ASX over the last 5 days on which sales were recorded before the day on which the issue was made;
- (d) the proposed allottees are unknown at the present time and will be ultimately determined at the discretion of the Board of Directors;
- (e) the ordinary shares will be issued on the same terms and conditions as the Company's existing ordinary shares on issue, and will, from the date of their allotment, rank *pari passu* in all respects with all other ordinary shares in the Company on issue; and
- (f) the funds raised from this issue will be used to primarily further advance exploration programmes at the Company's Lignum Dam, Golden Ridge JV and other projects in addition to supplementing the Company's working capital requirements.

The offer or invitation in relation to the ordinary shares contemplated by Resolution 4, are intended to be by way of offers that do not need disclosure under section 708 of the Corporations Act 2001 and accordingly would be excluded from the requirement to prepare and lodge a disclosure document under the Corporations Act 2001.

The appropriate voting exclusion statement appears as a note to the Notice of Annual General Meeting.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 4.

5. RESOLUTION 5 – APPROVAL OF THE GRANT OF OPTIONS TO THE MANAGING DIRECTOR – MR DJ CROOK OR HIS NOMINEE

5.1 Background

Following a review of the Managing Director's remuneration package, the Non-Executive Directors consider that it is appropriate that the Managing Director be granted free options to acquire shares in the Company as a component of his remuneration, and consequently are seeking Shareholder approval for the issue of 4,000,000 unlisted options to the Managing Director, Mr David John Crook.

5.2 Details of the unlisted options proposed to be issued

It is proposed that a total of 4,000,000 unlisted options be issued to the Managing Director (or his nominee) as set out in Table 1 below:

TABLE 1 – DJ Crook

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
A	1,333,333	\$0.085	30 November 2010	30 November 2013
B	1,333,333	\$0.10	30 November 2011	30 November 2013
C	1,333,334	\$0.12	30 November 2012	30 November 2013
Total	4,000,000			

5.3 The terms and conditions attaching to the unlisted options are set out in Annexure A

5.4 Part 2E and Section 195 of the Corporations Act 2001

Part 2E of the Corporations Act 2001 prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

For the purpose of Part 2E, a director of the Company is considered to be a related party of the Company and the issue of options to directors pursuant to the proposed resolution constitutes the provision of a financial benefit to related parties of the Company and does not fall within one of the nominated exceptions referred to in sub-paragraph (a) above.

Consequently in accordance with Section 219 of the Corporations Act 2001, the following information is provided to Shareholders to allow them to assess the proposed issue of options to the Managing Director.

- (i) Mr DJ Crook is the related party to whom the proposed resolution would approve a financial benefit to be given.
- (ii) The nature of the potential financial benefit to be given to the Managing Director is the issuing of the number of options set out in Section 5.2 above for nil consideration on the terms and conditions set out in Annexure A to this Explanatory Statement.
- (iii) All the Directors of the Company have been available to make a recommendation on the issue of the Managing Director Options to Mr Crook.

All of the Directors other than Mr Crook recommend that Shareholders vote in favour of Resolution 5. Mr Crook declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular resolution.

The Managing Director has an interest in the outcome of the proposed resolution because he is the proposed recipient of the options as set out in Section 5.2 above.

EXPLANATORY STATEMENT

(iv) Value attributed to the proposed issue of options

The proposed unlisted options are to be issued in three tranches totaling 4,000,000 options with each tranche being exercisable at a different exercise price. Tranche A options are exercisable at 8.5 cents each, Tranche B are exercisable at 10 cents each and Tranche C options are exercisable at 12 cents each with all options having a four year term. Tranche A options have a 12 month vesting period, Tranche B options have a 24 month vesting period and Tranche C options have a 36 month vesting period. Otherwise the terms and conditions of the three tranches are the same as those for the Non-Executive Director options proposed in Resolution 6.

The Company's advisers (Stantons International Pty Ltd trading as Stantons International Securities) have independently valued the options using the Black & Scholes Option Pricing Model which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The assessment of the estimated value of the Options has been prepared applying the following assumptions:

DJ Crook

	Tranche A	Tranche B	Tranche C
Valuation date	29 September 2009	29 September 2009	29 September 2009
Expiry date	30 November 2013	30 November 2013	30 November 2013
Share price	6 cents	6 cents	6 cents
Exercise price	8.5 cents	10 cents	12 cents
Risk free rate	4.925%	4.925%	4.925%
Volatility	145%	145%	145%
Value per Option	4.046 cents	3.984 cents	3.912 cents
Number of Options	1,333,333	1,333,333	1,333,334
Total value	\$53,947	\$53,120	\$52,160

The total value of the options proposed to be issued to Mr DJ Crook is \$159,227.

Discount: The Company's advisers have applied a discount of 20% to the Black & Scholes Model on account of the Managing Director options having vesting terms, are not transferable and will not be listed.

(v) Total remuneration package

The Managing Director's remuneration package per annum for the current and previous financial year (excluding the value of the proposed issue of options) is shown below.

Director	Current Financial Year (Annualised)	Previous Financial Year 30 June 2009
Mr DJ Crook	\$260,000*	\$267,542* ⁽ⁱ⁾

* Mr Crook's remuneration package includes a fully maintained motor vehicle which has an ascribed value of \$10,000 per annum.

(i) During the five month period from 26 January 2009 to 25 June 2009, Mr D Crook voluntarily elected to take a 20% reduction in his annualised salary remuneration. The remuneration for the year ended 30 June 2009 also included payments for annual leave entitlements of \$22,162.

There is no fringe benefits tax liability attached to the issue of the options.

No loan has or will be made in relation to the issue of the options.

(vi) The issue of options pursuant to the proposed resolution has the potential to dilute the shareholding of existing Shareholders. Based on the total number of 279,044,749 ordinary shares currently on issue, the proposed options, if exercised in full, would dilute the existing Shareholders' interest in the Company by 1.43% (assuming no other options are exercised). If the existing 11,850,000 options on issue were all to be exercised the dilution effect would be 1.37%. The market price of the Company's shares during the term of the options will determine whether or not the Managing Director will exercise the options.

- (vii) The Company has the following shares and options on issue at the date of this Notice:

Ordinary Shares 279,044,749

In addition the Company has on issue the following unlisted options to subscribe for ordinary shares as at the date of this Notice:

Number	Exercise Price	Expiry Date
3,750,000	\$0.25	28 November 2009
2,400,000	\$0.20	8 September 2010
250,000	\$0.25	30 June 2011
250,000	\$0.30	30 June 2011
100,000	\$0.25	30 June 2011
1,000,000	\$0.25	31 August 2011
2,400,000	\$0.22	8 September 2011
200,000	\$0.25	31 March 2012
750,000	\$0.20	30 June 2012
750,000	\$0.22	30 June 2013
11,850,000		

The above capital structure excludes the effect of the issue of securities for which Shareholder approval has been sought under Resolution 4.

- (viii) In the last year the highest price of shares in the Company trading on the ASX was 7.6 cents, which occurred on 1 September 2009, and the lowest price was 2 cents, which occurred on 6 February 2009. The closing price of the Company's shares on 29 September 2009 was 6 cents. The share price during this period has traded at various levels.
- (ix) As noted in Section 4.4(iv) above, it has been estimated that the potential cost to the Company of the proposed option issue in Resolution 5 based on the independent value of the options at the date of this Notice is \$159,227 or 0.05 cents per ordinary share on issue. The value of these options will be expensed in the Company's financial statements over the relevant vesting periods.
- (x) The relevant interest of the Managing Director in shares and options of the Company at the date of this Notice is as follows:

Director	Ordinary Shares	Unlisted Options
Mr DJ Crook	1,795,111	750,000 exercisable at 20 cents each by 8/9/2010 750,000 exercisable at 22 cents each by 8/9/2011

- (xi) The Company is keen to advance its exploration programmes at its Lignum Dam, Golden Ridge JV and the Ravensthorpe JV Projects. Mr Crook has played a pivotal role in advancing in particular the Lignum Dam Gold Project over the last 6 months. Furthermore Mr Crook's leadership as Managing Director of the Company will be an important element in the Company's future success as it moves towards advancing the potential of this project. The Non-Executive Directors consider that an essential element of Mr Crook's remuneration should be an option package which rewards success. Consequently the Non-Executive Directors have recommended that Mr Crook's option package be supplemented by the 4,000,000 options with exercise prices escalating from 8.5 cents per share (representing a 31% premium over the closing share price of 6 cents on 29 September 2009), 10 cents per share (representing a 54% premium over the closing share price of 6 cents on 29 September 2009) to 12 cents per share (representing a 85% premium over the closing share price of 6 cents on 29 September 2009) as a suitable added incentive for Mr Crook. Other than the time based vesting period for the Tranche A, B and C options, there are no additional performance criteria on the options as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr Crook and the performance and value of the Company are closely related. As such, the proposed options will generally only be of benefit if Mr Crook performs to the level whereby the value of the Company increases sufficiently to warrant exercising the options.

EXPLANATORY STATEMENT

The number of options to be issued has been arrived at by reference to an assessment of Mr Crook's overall remuneration package by the Non-Executive Directors. Consideration has been given to levels of remuneration including free options offered by other listed junior mining and exploration companies to chief executives and the number of options proposed relative to the total number of shares the Company has on issue is considered to be appropriate.

- (xii) The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the potential financial benefits contemplated by the proposed resolution.

5.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 prohibits a listed company from issuing securities to a director of the Company without the approval of Shareholders.

The following information is provided in accordance with ASX Listing Rule 10.13 to assist Shareholders to assess the proposed issue of options in the Company:

- (a) The name of the Managing Director and the number of options which may be issued to him or his nominee are set out in Section 5.2 above;
- (b) The options will be issued for nil consideration within one month of the date of the Meeting and may be exercised in accordance with the terms of the resolution on payment of the Exercise Prices detailed in Section 5.2 above;
- (c) Detailed terms of the options are set out in Annexure A to this Explanatory Statement; and
- (d) No funds will be raised by the grant of the options.

It should be noted that if Shareholder approval for this issue is given in terms of ASX Listing Rule 10.11, there is not a requirement to seek separate approval under ASX Listing Rule 7.1 and the issue of the options will not be included in the 15% calculation for the purposes of that Rule.

6. RESOLUTIONS 6 AND 7 – APPROVAL OF THE GRANT OF OPTIONS TO THE NON-EXECUTIVE DIRECTORS OR THEIR NOMINEES

6.1 Background

The purpose of the issue of options contemplated in Resolutions 6 and 7 is to provide incentive remuneration for the Non-Executive Chairman and a Non Executive Director ("Non-Executive Directors") based on the future success of the Company under their management and governance.

6.2 Details of unlisted options proposed to be issued

It is proposed that a total of 2,500,000 unlisted options be issued for nil consideration to the Non-Executive Directors (or their nominees) as set out in Table 2 below:

TABLE 2 – C McGown and A Trench

C McGown

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
A	500,000	\$0.085	30 November 2010	30 November 2013
B	500,000	\$0.10	30 November 2011	30 November 2013
C	500,000	\$0.12	30 November 2012	30 November 2013
Total	1,500,000			

A Trench

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
A	333,333	\$0.085	30 November 2010	30 November 2013
B	333,333	\$0.10	30 November 2011	30 November 2013
C	333,334	\$0.12	30 November 2012	30 November 2013
Total	1,000,000			

EXPLANATORY STATEMENT

6.3 The terms and conditions attaching to the unlisted options are set out in Annexure A

6.4 Part 2E and Section 195 of the Corporations Act 2001

In accordance with Section 219 of the Corporations Act 2001, the following information is provided to Shareholders to allow them to assess the proposed issue of options to the Non-Executive Directors.

- (i) Messrs McGown and Trench are the related parties to whom the proposed resolution would approve a financial benefit to be given.
- (ii) The nature of the potential financial benefit to be given to the Non-Executive Directors is the issuing of the number of options set out in Section 6.2 above for nil consideration on the terms and conditions set out in Annexure A to this Explanatory Statement.
- (iii) All the Directors of the Company have been available to make a recommendation on the issue of Non-Executive Director Options to Messrs McGown and Trench.

The Non-Executive Directors are not entitled to make a recommendation to Shareholders about the proposed resolution because each has an interest in the potential financial benefit proposed to be given to them. The Managing Director supports the proposed issue. Since the Board as a whole cannot recommend the resolution to Shareholders they have resolved to call this general meeting to deal with the matter in terms of Section 195(4) of the Corporations Act 2001.

- (iv) Value attributed to the proposed issue of options

The Company's independent advisers have valued the options using the Black & Scholes Option Pricing Model on the basis that it is accepted under International Financial Reporting Standard ("IFRS") guidelines, in particular where there are grant conditions attached to the options.

The assumptions used in applying the Black & Scholes Option Pricing Model to the valuation of the proposed issue of options, and the resulting valuation are set out below.

C McGown

	Tranche A	Tranche B	Tranche C
Valuation date	29 September 2009	29 September 2009	29 September 2009
Expiry date	30 November 2013	30 November 2013	30 November 2013
Share price	6 cents	6 cents	6 cents
Exercise price	8.5 cents	10 cents	12 cents
Risk free rate	4.925%	4.925%	4.925%
Volatility	145%	145%	145%
Value per Option	4.046 cents	3.984 cents	3.912 cents
Number of Options	500,000	500,000	500,000
Total value	\$20,230	\$19,920	\$19,560

The total value of the options proposed to be issued to Mr McGown is \$59,710.

EXPLANATORY STATEMENT

A Trench

	Tranche A	Tranche B	Tranche C
Valuation date	29 September 2009	29 September 2009	29 September 2009
Expiry date	30 November 2013	30 November 2013	30 November 2013
Share price	6 cents	6 cents	6 cents
Exercise price	8.5 cents	10 cents	12 cents
Risk free rate	4.925%	4.925%	4.925%
Volatility	145%	145%	145%
Value per Option	4.046 cents	3.984 cents	3.912 cents
Number of Options	333,333	333,333	333,334
Total value	\$13,487	\$13,280	\$13,040

The total value of the options proposed to be issued to Dr A Trench is \$39,807.

(v) Total remuneration package

The current total remuneration package per annum of each Non-Executive Director (inclusive of superannuation), excluding the value of this proposed issue of options, is set out below:

Director	Current Financial Year (Annualised)	Previous Financial Year 30 June 2009
Mr C McGown	\$70,000	\$59,231* ⁽ⁱ⁾
Dr A Trench	\$55,000	\$32,083 ⁽ⁱ⁾

* Following shareholder approval obtained on 29 July 2008, Mr McGown was issued a total of 1.5 million options (with 750,000 exercisable at 20 cents each and 750,000 exercisable at 22 cents each) which had a value of \$50,175.

⁽ⁱ⁾ During the five month period from 1 February 2009 to 30 June 2009, both Mr McGown and Dr Trench voluntarily elected to take a 20% reduction in Non-Executive Directors' fees. Mr McGown during that period earned Directors fees based upon \$52,000 per annum and Dr Trench earned Director's fees based upon \$28,000 per annum.

There is no fringe benefits tax liability attached to the issue of the options.

No loan has or will be made in relation to the issue of the options.

- (vi) The issue of options pursuant to the proposed resolution has the potential to dilute the shareholding of existing Shareholders. Based on the total number of 279,044,749 ordinary shares currently on issue, the proposed options, if exercised in full, would dilute the existing Shareholders' interest in the Company by 0.90% (assuming no other options are exercised). If the existing 11,850,000 options on issue were all to be exercised the dilution effect would be 0.86%. The market price of the Company's shares during the term of the options will determine whether or not the Non-Executive Directors will exercise the options.
- (vii) Details of the Company's shares and options on issue as at the date of this Notice have been out in Section 5.4 (vii) above.
- (viii) Details of the prices at which the Company's shares have traded are set out in Section 5.4 (viii) above.
- (ix) As noted in Section 6.4(iv) above, it has been estimated that the potential cost to the Company of the proposed share issue based on the preferred value of the options at the date of this Notice is \$59,710 in relation to Mr McGown's options and \$39,807 in relation to Dr Trench's options, totaling \$99,517 or 0.04 cents per ordinary share on issue. The value of these options will be expensed in the Company's financial statements over the relevant vesting periods.

- (x) The relevant interest of the Non Executive Directors in ordinary shares and options of the Company at the date of this Notice is as follows:

Director	Ordinary Shares	Unlisted Options
Mr C McGown	1,000,000	750,000 exercisable at 20 cents each by 30/6/2012 750,000 exercisable at 22 cents each by 30/6/2013
Dr A Trench	803,426	250,000 exercisable at 20 cents each by 8/9/2010 250,000 exercisable at 22 cents each by 8/9/2011

The grant of the options is designed to encourage the Non-Executive Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

It is proposed that the issue of options to the Non-Executive Directors is an efficient means for the Company to supplement the cash based remuneration of its Non-Executive Directors given that it involves no further cash outlay by the Company, thereby conserving liquid funds. Furthermore certain of the proposed options are structured to vest 12 months to 36 months after the date of issue thereby seeking to reward the Non-Executive Directors for remaining with the Company. Finally it is proposed that there are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the options.

Further, the Company considers that it is in the interests of Shareholders to align the interests of the Directors and Shareholders by encouraging them, subject to appropriate conditions, to have equity holdings in the Company.

Shareholders should note that for the reasons previously stated in this Explanatory Statement, it is proposed to issue options to Messrs McGown and Trench (who are both Non-Executive Directors) notwithstanding the guidelines contained in Council Recommendation 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* which states that non-executive directors should not receive options.

- (xi) The number of options to be issued has been arrived at by reference to the overall remuneration package considered appropriate for the services of Mr McGown as Non-Executive Chairman and Dr Trench as a Non-Executive Director with reference to their current remuneration as set out in Section 6.4(v) above. The Company is aware that it can be difficult to attract Non-Executive Directors of the desired calibre to sit on the board of a company such as Pioneer Resources Ltd as it advances its key projects. Consideration has been given to levels of remuneration including free options paid by other listed exploration companies and junior mining companies to their directors and the number of options proposed relative to the total number of shares the Company has on issue is considered to be modest and appropriate.
- (xii) The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the potential financial benefits contemplated by the proposed resolution.

EXPLANATORY STATEMENT

6.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 prohibits a listed company from issuing securities to a director of the Company without the approval of Shareholders.

The following information is provided in accordance with ASX Listing Rule 10.13 to assist Shareholders to assess the proposed issue of options in the Company:

- (a) The names of the Non-Executive Directors and the number of options which may be issued to the Non-Executive Directors are set out in Section 6.2 above;
- (b) The options will be issued for nil consideration within one month of the date of the Meeting and may be exercised in accordance with the terms of the resolution on payment of the Exercise Prices detailed in Section 6.2 above;
- (c) Detailed terms of the options are set out in Annexure A to this Explanatory Statement; and
- (d) No funds will be raised by the grant of the options.

It should be noted that if Shareholder approval for this issue is given in terms of ASX Listing Rule 10.11, there is not a requirement to seek separate approval under ASX Listing Rule 7.1 and the issue of the options will not be included in the 15% calculation for the purposes of that Rule.

7. RESOLUTION 8 – APPROVAL OF NON-EXECUTIVE DIRECTORS REMUNERATION THRESHOLD

The Company's Constitution provides that Non-Executive Directors may be collectively paid as remuneration for their services a fixed sum not exceeding an aggregate maximum sum as determined by the Company in general meeting. Presently the Dr Trench a Non-Executive Director receives a fee of \$55,000 per annum and Mr McGown the Non-Executive Chairman receives a fee of \$75,000 per annum (inclusive of superannuation contributions).

The Board in the future may seek to appoint additional Non-Executive Directors so it is recommending shareholder approval to increase the aggregate maximum sum by \$200,000 to \$400,000 per annum.

The aggregate sum of \$400,000 has been determined by the Directors and provides a contingency to increase the number of Non-Executive Directors in the future, and considers market competitive remuneration levels required to attract, retain and fairly reward Non-Executive Directors and to enable Directors to increase remuneration levels over time without frequent reference of the aggregate sum to members for approval. The aggregate threshold is presently \$200,000 and it has not increased since the Company's listing on the ASX in December 2003.

In determining the aggregate sum, the Directors have considered remuneration levels paid by other listed companies to their Non-Executive Directors. The Directors are satisfied that the proposed aggregate sum is reasonable having regard to these remuneration levels and the other factors referred to above.

The increase in the level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to seek an increase in fees as this will provide the Company with the flexibility to attract appropriately qualified directors and to act quickly if the circumstances require it.

There is no current intention to increase the existing remuneration paid to Non-Executive Directors.

ANNEXURE A
TERMS AND CONDITIONS OF ISSUE OF OPTIONS
TO THE MANAGING DIRECTOR AND NON-EXECUTIVE DIRECTORS

The following terms and conditions apply to the options ("Options") proposed be issued to the Managing Director and Non-Executive Directors of Pioneer Resources Limited.

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 30 November 2013 (Expiry Date). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Options shall comprise three tranches with the following exercise prices (Exercise Price) and different vesting dates as follows:

Tranche	Exercise Price	Vesting Date	Expiry Date
A	\$0.085	30 November 2010	30 November 2013
B	\$0.10	30 November 2011	30 November 2013
C	\$0.12	30 November 2012	30 November 2013

- (d) Subject to the Board's absolute discretion any Options which have not vested at the time the Optionholder ceases to be a Director shall automatically lapse, except if the Director ceases employment due to death, permanent illness, or permanent physical or mental incapacity (as certified by a medical practitioner which is approved in writing by the Company). Any Options that have vested shall remain capable of exercise up to the Expiry Date.
- (e) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Options (provided that they have vested) by lodging with the Company, before the Expiry Date:
- a written notice of exercise of Options specifying the number of Options being exercised; and
 - a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,
- ("Exercise Notice").
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) Subject to the ASX Listing Rules the Options shall not be capable of transfer or assignment either in whole or in part without the approval of the Company.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares on issue.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

ANNEXURE A
TERMS AND CONDITIONS OF ISSUE OF OPTIONS
TO THE MANAGING DIRECTOR AND NON-EXECUTIVE DIRECTORS

- (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (p) Upon the occurrence of a Trigger Event, all of the outstanding Options shall vest. For the purposes of this clause a Trigger Event means:
 - (i) the Company obtaining approval at a general meeting for it and its members to enter a scheme of arrangement pursuant to the Corporations Act;
 - (ii) the date that the relevant interest of a bidder under a takeover bid for the Company is recorded as a minimum of 50.1% and the bid being declared unconditional;
 - (iii) the Company obtaining approval at a general meeting for a transaction under Section 611 Item 7 of the Corporations Act; or
 - (iv) the date upon which a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or appoint a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.
- (q) To the full extent permissible by the ASX Listing Rules and law, the Board may from time to time at its absolute discretion vary the conditions to which an Option is subject.

PROXY FORM

The Secretary
Pioneer Resources Limited
21 Ord Street
WEST PERTH WA 6005
Facsimile: (08) 9486 9393

SHAREHOLDER DETAILS

Name of Shareholder:

.....
(Surname) (Given Names)

Address of Shareholder:

.....

I/We being a member(s) of Pioneer Resources Limited, hereby appoint the following person or failing him/her the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 2pm on Thursday 19 November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia (and at any adjournment thereof) in the manner indicated below or as he/she thinks fit.

PROXY'S DETAILS:

Name of Proxy:

.....
(Surname) (Given Names)

Address of Proxy:

.....

INSTRUCTIONS AS TO VOTING – Refer attached Notes to the Proxy Form

If you wish to direct your proxy how to vote with respect to the proposed Resolutions, please indicate the manner in which your proxy is to vote by placing a "X" in the appropriate box below, otherwise your proxy will vote or abstain from voting as he/she thinks fit.

RESOLUTIONS:

	For	Against	Abstain
Ordinary business			
1. Adoption of Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Dr Allan Trench as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval to Issue up to 20 million shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to Issue Options to DJ Crook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to Issue Options to C McGown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to Issue Options to A Trench	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval to Increase Non-Executive Directors Fee Threshold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* It is the Chairman's intention to vote in favour of all Resolutions in relation to undirected proxies.

OR if you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxyholder will be disregarded of that interest.

FOR INDIVIDUALS OR JOINT HOLDERS

.....
Signature of Shareholder Name (Please Print) Date

.....
Signature of Shareholder Name (Please Print) Date
(Joint Shareholders)

