Dear Shareholder,

On behalf of the Directors of Pioneer Resources Limited, I am pleased to present the Annual Technical Summary for 2012. Key events during the year included:

SALE OF THE WESTERN MT JEWELL PROJECT
Our maiden Mineral Resource Statement for the Mt Jewell Gold Project announced during 2011 prompted a great deal of interest from other Kalgoorlie-based explorers and miners. A comprehensive evaluation of our options culminated in the sale of the Western Mt Jewell Gold Project. In June 2012 the sale process was completed and the first instalment of $4.5 million was received by the Company. An additional $3.5 million is due in scheduled instalments over the next three years, providing cash inflow for the medium term.

NEW DISCOVERY POTENTIAL IDENTIFIED WITHIN EXISTING TENEMENT PORTFOLIO
RAB drilling at the Juglah Dome Gold Project returned some very exciting gold results from the Moonbaker (3m at 18.0g/t Au), Axe Patch (3m at 9.3g/t Au) and John West targets. The Company is currently planning additional RAB drilling at Axe Patch and John West North, and the inaugural RC drilling program at Moonbaker and John West.

CONSOLIDATION OF JOINT VENTURE PROJECTS
In July 2012 Pioneer increased its interests in the Golden Ridge Gold and Nickel Project to 100%, consolidating this regional position. This delivered access to advanced gold targets in addition to the existing holdings of nickel potential, however Pioneer remains primarily focused on a gold discovery.

ACQUISITION OF A PROJECT WITH BLUE SKY POTENTIAL
In October 2012 Pioneer acquired a 75% interest in the Fairwater Nickel and Gold Project. This acquisition provides a strategic point of entry into the Albany-Fraser Orogenic Zone, an emerging mineral province and host to the world-class Tropicana Gold Project and the exciting Nova Nickel Sulphide Deposit.
Earlier in the year, while negotiations for the Western Mt Jewell Gold Project sale were progressing, your Company actively undertook a phase of strategic project identification and exploration target generation from within the Company’s tenement portfolio and joint venture properties, as well as from third party offerings.

Project assessment criteria included perceived future commodity demand, jurisdictional and sovereign risk, available infrastructure and mining culture. The Board also recognised that share price leverage is greatest during a period of successful exploration leading to a discovery.

Target generation and acquisitions within the Kalgoorlie District of Western Australia have best satisfied our criteria and delivered, in the Board’s view, a superior exploration portfolio to replace the Western Mt Jewell Gold Project.

From within our existing tenements, exploration was accelerated at the Company’s Gindalbie and Juglah Dome Gold Projects. Throughout the year, the Company spent just over $3 million on its exploration activities.

Programs of soil geochemistry, RAB drilling and geophysics are driving the advancement of the Company’s core projects, and included for 2011-2012:

- 15,000 soil geochemistry samples from the Gindalbie, Juglah Dome and Golden Ridge Projects;
- 490km² of gravity geophysics at the Gindalbie Project;
- 33.5 line km of EM geophysics at the Golden Ridge Project; and
- 18,500m of RAB drilling at Gindalbie, Juglah Dome and Golden Ridge Projects.

For the Golden Ridge Project, the Company moved from a 56% interest in nickel rights (excluding the Blair Nickel Mine) to a 100% outright interest for all commodities. This delivered a number of advanced gold and nickel exploration targets, including the Flying Squirrel, Gold Star and Duplex Hill South gold prospects, and the Norton, Anomaly 11 and Duplex Hill priority nickel targets. In October the Company commenced its first 10,000m RAB drilling program targeting gold at the Gold Star prospect.

The Board believes that the Company is very well placed for an active and fruitful 2013, and we look forward to announcing our progress throughout the year as results come to hand.

On your behalf, I would like to acknowledge our valued staff: Melinda O’Ryan, Nick Coetsee and George Burgess. We thank them and our other contractors and consultants for the combined efforts that have led to this year’s success and the establishment of our opportunities for 2013.

David Crook
Managing Director
Dear Shareholder,

It is a pleasure to report that Pioneer has had another very active 12 months as your Company continues to focus on its exploration strategy in the Kalgoorlie region of Western Australia. The decision to target gold as the primary commodity of your Company’s exploration efforts has proved to be sound, and I believe that Pioneer has been successful in creating demonstrable value in 2012.

The past 12 months have continued to be problematic for junior explorers generally, with a lack of investor confidence resulting in ongoing difficulties in raising funds for exploration. It was against this backdrop that your Board concluded that the Company’s best interests would be served by the sale of the Western Mt Jewell Gold Project, for a total consideration of $8 million. The transaction was completed during June 2012, materially improving your Company’s financial position, and supplementing the funds raised by a Share Purchase Plan and Placement completed in December 2011.

The sale provided the Board with the opportunity to consider the Company’s strategic direction from a ‘well-funded’ perspective. Acquisition opportunities have arisen and, amid the prevailing financial market conservatism, the Company has capitalised on some of the more promising opportunities.

Your Company has continued its policy of joint venturing or reducing interests in projects which are not Pioneer’s core activities. This policy of review, using strict evaluation criteria, provides the best opportunity to achieve value without diverting management from the ‘main game’: ensuring that shareholder value is always preserved.

Our exploration success is not achievable without a committed, capable and imaginative exploration team led by our Managing Director, David Crook, whose efforts in focused exploration management and promotion of your Company have enabled Pioneer to achieve the results that it has during the year. David’s focus and commitment, supported by his team, has enabled Pioneer to establish a very sound base from which to expand and grow shareholder value.

It is also important that I mention the significant contributions of my Board and Company Secretary whose collective commercial and technical skills have been essential to supporting the strategic direction of your Company.

It is also appropriate that I thank you, as our shareholders, for your persistence in supporting Pioneer in its endeavours. I am extremely confident that your support will be amply rewarded in the future.

Craig McGown
Chairman

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.
Juglah Dome Project  GOLD (PIONEER 100%)

- Located 58km SE of Kalgoorlie.
- Key tenement is 60km².
- Three gold targets identified during 2012, and high grades intersected in RAB drilling.

The Juglah Dome Project has advanced very rapidly during 2012. Soil geochemistry was initiated in key areas during January this year, and subsequent RAB drilling returned impressive gold results from the Moonbaker (3m at 18.0g/t Au), Axe Patch (3m at 9.3g/t Au) and John West Prospects. RAB drilling is designed to test for horizontal plumes of gold within weathered rock, which might act as a vector to deeper, potentially economic gold mineralisation.

The Majestic Deposit is located 10km northwest of Pioneer’s drill sites. Juglah Dome prospects may exhibit a number of geological characteristics, including multi-element soil geochemistry signatures, host rock and structural domain that are analogous with Majestic.

Golden Ridge Project  NICKEL, GOLD (PIONEER 100%)

- Located 28km SE of Kalgoorlie.
- Covers 120km² in area and includes 82km² of granted mining leases.
- Project ownership increased to 100% of all commodities in July 2012.
- 2012 work programs included soil geochemistry, EM surveys and RAB drilling.

The Golden Ridge Project’s close proximity to a number of Kalgoorlie’s major gold deposits, including the Superpit (18km northwest), New Celebration (8km southwest), Golden Ridge (2.5km north) and Daisy Milano (15km east), signals the prospectivity of the project for a significant gold discovery.

Gold exploration by earlier explorers identified the very encouraging Trident, Goat, 18 Footer, Zenith, Gold Star and Flying Ant Prospects. These are represented by RAB, and in some cases RC, drill holes that have intersected strongly anomalous gold.

The Blair Nickel Mine began production in 1990 and produced 32,900 tonnes of nickel in ore, which was treated at Kambalda, 30km south of the project. Priority nickel targets include Norton, Marshall South, Blair South, Duplex Hill and Anomaly 11 Prospects.
Fairwater Project  NICKEL, GOLD (PIONEER 75%)

- Located 230km SSE of Kalgoorlie.
- Covers 338km² within the Albany-Fraser Orogenic Zone.
- Has two nickel and one gold target already identified based on soil geochemistry.

The Fairwater Project provides 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.

Pioneer’s initial priority will be two robust nickel-copper anomalies that occur within similar aged rocks and in an analogous structural setting to the Nova Prospect. When soil sampling is completed the Company plans to undertake EM surveys. Subject to results, the first drilling will take place during the first half of 2013.

Figure 3: Location of the Fairwater Project within the Albany Fraser Province, showing other metal discovery locations.