Dear Shareholder

The Directors of Pioneer Resources Limited are pleased to present the Annual Technical Summary for 2009, opening with the observation that the Company has emerged strongly from the global financial crisis and the funding challenges that it presented to exploration companies.

**Key Events From the Year Include:**

- **High Grades Intersected in Drilling at the Lignum Dam Gold Project:**
  
  With the significance of this project now established, the Company will continue drilling to discover additional mineralisation and plans to fast track the Lignum Dam Gold Project as its lead project to a point where development decisions can be considered.

- **Successful Capital Raisings Completed:**

  The Company acknowledges the support provided by shareholders throughout the year, and now holds over $4.5 million in cash. This ensures that substantial programs of drilling will continue at Lignum Dam.

- **Additional Gold Targets have been Generated Within the Company’s Large Tenement Holding North of Kalgoorlie, WA:**

  Targets will be progressively evaluated providing opportunity for the Lignum Dam Gold Project to significantly grow.

- **A Change of Name Reflects a Change in Focus:**

  Pioneer Resources Limited better reflects that the Company is now primarily a gold-focused explorer, albeit with a large tenement portfolio that is prospective for a number of commodities.
Chairman’s Letter

I am pleased to present to you this report following my first year as Chairman of your Company, a year which has seen some dramatic changes in, and challenges arising from, the global equities and commodity markets.

This year your Board was required to enact an appropriate strategy to minimize the impact of these external market-driven events on the Company. As a consequence the exploration team was reduced to a core of very committed and competent professionals who have continued to progress your Company’s projects. Our geologists have achieved considerable success, particularly at the Lignum Dam Gold Project.

Despite the extraordinary market conditions, your Company successfully completed capital raisings totalling $5.8 million, including the recent placement for $3.0 million. The Company is now well funded, with a clear focus for its exploration activities for the forthcoming year.

Consistent with its new project focus, on 17 July, 2009 your Company changed its name to Pioneer Resources Limited.

I would like to thank both our staff led by our Managing Director, David Crook, and Board of Directors for their considerable efforts in the year under review.

I would also like to thank Peter Langworthy for his significant contribution as a Non-executive Director while representing Xstrata Nickel Australasia Pty Limited. Peter has left Xstrata and consequently Pioneer, and I would ask you to join with me in wishing him all the best for the future.

I thank you for your support during this year and I hope to be in a position to advise further of your Company’s considerable progress when I report to you this time next year.

Craig McGown
Chairman

Managing Director’s Letter

Within the past 12 months capital markets have gone from being shut to optimistically open. While your Company reduced its discretionary spending through a variety of means, the Directors decided that hibernating was not the answer. Throughout the past year Pioneer raised sufficient funds to continue field exploration programs, which included over 13,000m of drilling on our most promising projects, and significant drilling results were returned, in particular from the Lignum Dam Gold Project.

The return of high-grade gold results from reverse circulation drilling, including 18m at 5.85g/t Au, has provided the Company with a clear path for the forthcoming year. The Company will focus its activities at the Lignum Dam gold discovery and with sufficient funds available, has planned a comprehensive program of drilling for the forthcoming year.

The Company will continue to undertake lower key exploration campaigns on other projects, and work programs are committed for the Acra, Golden Ridge and Ravensthorpe Projects, ensuring that Pioneer maintains an active pipeline of quality exploration projects.

David Crook
Managing Director
Lignum Dam: An Emerging Gold Project

Lignum Dam Gold Project (PD 109, Gold)
- Located 6km NE of Kalgoorlie, WA
- High grade gold mineralisation intersected in drilling at the Tregurtha and Hughes Prospects.
- Mineralisation remains open along strike and down dip at both prospects.
- In a number of holes, multiple zones of mineralisation were intersected.
- From the first drilling program, 21 of the 27 holes drilled intersected significant gold mineralisation.
- Several regional gold targets have been identified by the Company near Lignum Dam which are prospectively enhanced light of the Tregurtha and Hughes discoveries.

Project Status
- The Lignum Dam Gold Project is a gold discovery made by Pioneer. RAB drilling was used to test soil geophysical anomalies, resulting in the identification of the Tregurtha and Hughes Prospects. Pioneer has now completed the first round of deeper reverse circulation and diamond drilling, confirming the presence of significant gold mineralisation.
- Gold mineralisation is located entirely within zones of sheared and altered granodiorite. This environment is significant for the presence of nickel-oxide mineralisation.
- Nickel-oxide mineralisation is known to occur in the Tregurtha and Hughes Prospects. Pioneer has now completed the first round of deeper reverse circulation and diamond drilling, confirming the presence of significant gold mineralisation.
- The results are expected to be used in the estimation of gold resources.
- The next step is detailed geological mapping.

Outlook
- As statutory approvals are received, the Company plans to complete substantial drilling programs at the Tregurtha and Hughes Prospects utilising both reverse circulation and diamond drilling machinery. The next project update, including drill results, is expected before the end of 2009.
- The Company holds a 100% interest in a very large tenement package, overlooking 1,200 km², within a radius of 100 km from Kalgoorlie, WA. Additional gold and base metal targets have been identified by Company geologists within these tenements, much of it from open file geochemical data and historic records, and systematic soil testing of these areas continues.

The Company holds a 100% interest in a very large tenement portfolio, exceeding 1,200 km², within a radius of 100 km from Kalgoorlie, WA. Additional gold and base metal targets have been identified by Company geologists within these tenements, much of it from open file geochemical data and historic records, and systematic soil testing of these areas continues.

The next step is detailed geological mapping.

Exceptional Drilling Results

**Lignum Dam Gold Project**
- LDRC022: 13m at 1.94g/t from 76m.
- LDRC021: 18m at 5.85g/t from 54m.
- LDRC020: 10m at 5.72g/t from 34m.
- LDRC015: 8m at 8.55g/t from 43m.
- LDRC003: 10m at 2.30g/t from 57m.
- LDRC003: 5m at 4.89g/t from 63m.
- LDRC003: 10m at 2.23g/t from 56m.
- LDRC024: 13m at 1.94g/t from 140m.

**Mt Thirsty South Project**
- Located 150km S of Kalgoorlie, WA.
- High grade manganese-rich mineralisation outcrops over a strike of 500m.
- Rock chips commonly assay between 30% and 60% Mn.
- Manganese soil geochemistry anomalies identified north of known mineralisation. South has not been sampled yet.
- Drill sampling conducted in the 1980s returned 73m at 17.7% Mn.
- First target is drill-ready. Strike extensions will have soil and diamond drilling test.

**Mt Chester Project (Pinnaclehost) Jv Project**
- Located 10km SE of Wiluna, WA.
- High grade manganese-rich mineralisation outcrops over a strike of 500m.
- Rock chips commonly assay between 30% and 60% Mn.
- Manganese soil geochemistry anomalies identified north of known mineralisation. South has not been sampled yet.
- Drill sampling conducted in the 1980s returned 73m at 17.7% Mn.
- First target is drill-ready. Strike extensions will have soil and diamond drilling tests.

**Golden Ridge JV Project**
- Located 30km SE oYarloop and 35km SW of Kambalda, WA.
- The Leo Dam ultramafic contact is the priority target with strongly anomalous Ni-Cu-PGE drill intercepts returned from the last round of aircore drilling.
- 70m at 0.60% Ni, 608ppm Cu and 35ppb PGE.
- 73m at 0.53% Ni, 48ppm Cu and 22ppb PGE.
- 47m at 0.61% Ni, 34ppm Cu and 16ppb PGE.
- The Central ultramafic contact, with over 50m of strike, has additional width.
- Drone grid and aerial magnetmetry conducted.
- A ground grid of anomalous and the nature of the spatial extent of the Leo Dam ultramafic contact at the Golden Ridge JV Project. RAB drilling will test the Jubilee West Prospect and two other target areas.

**Mt Thirty South Project**
- Located 100km S of Collie, WA.
- Results from orientation RAB drilling successfully confirmed Cu mineralisation.
- 73m at 1,532ppm Co, 0.35% Ni, 1.04% Mn.
- 70m at 1,545ppm Co, 0.29% Ni, 0.24% Mn.
- Anomalous Co and PGE may indicate that ultramafic rocks are prospective for nickel sulphide mineralisation.
- Significant anomalous RAB sample assays included up to 603ppm Co and 35ppb PGE.
- Next phase is detailed geological mapping.
**Company Strategy**

Pioneer believes that medium to long-term growth will be delivered via genuine discovery. This may be achieved from within the Company’s extensive tenement portfolio or from strategic tenement acquisitions made within Australia. The Company has reached a watershed point in its history following the discovery of gold within its 100%-held Lignum Dam Project.

The Company’s business plan includes:

- Exploration priority is the Lignum Dam Gold Project and immediate surrounding tenements.
- Capital value increase achieved through further exploration discovery.
- Complementary growth through targeted expenditure-based acquisitions.
- Sufficient funds will be raised to permit in-ground exploration programs.
- Ranking projects for a ‘develop or divest’ decision will see equity in some projects divested.

The Company believes that its decision to explore within its substantial tenement portfolio is now proving itself following the discovery of gold at Lignum Dam. But promising results don’t stop there. Within a 50km radius of Lignum Dam, Pioneer has identified six more gold-in-soil anomalies which are ready for RAB drilling. The Company also has drill-ready manganese and nickel sulphide targets; and advancing copper lead zinc targets.

The process that Pioneer employs includes fully compiling historical data and then updating it with new geochemistry, mapping areas of significance and synthesising the information into the most up-to-date ore genesis models prior to drilling.

Pioneer’s advantage is provided through a thorough knowledge of the Kalgoorlie, WA, district. We hold a large tenement portfolio in this world-class gold field, and we spend a good proportion of our time on the ground.