Saturday 2\textsuperscript{nd} February, 2013

Pioneer Resources – strong quarter of exploration activity anticipated during Q1 2013

Pioneer Resources (ASX: PIO, Share Price: $0.029, Market Cap: $15m) was added to our MineLife Portfolio Watch-list during June 2011 based on the perceived exploration potential of the company’s Mt Jewell gold project in Western Australia. During H2 2011 a maiden JORC-compliant resource was identified, comprising 3.78 million tonnes @ 1.53g/t Au for 185,600 contained ounces of gold.

Pioneer was sensible enough to realize however that the deposit wasn’t sufficiently large enough to justify a stand-alone mining development, so it made a logical commercial decision during March 2012 to sell the Western Mt Jewell project to regional gold producer Carrick Gold (ASX: CRK) for $8 million. This left Pioneer in a cashed-up situation to be able to aggressively explore its other prospects, including its Acra project in WA’s Eastern Goldfields - where recent drilling has intersected high-grade gold mineralisation.

\[\text{Graph}\]

\textbf{Market Significance}

After a period of share price easing between January and June 2012, market appreciation of the Pioneer story has grown, with share price spikes in October 2012 and January 2013 coinciding with the release of encouraging drilling results. Over the past month, Pioneer’s share price has moved up from 2.5c to 3.1c – a move of almost 25%, with the most recent high-grade gold results from Acra capturing attention.
Announcement Detail

Pioneer recently released results from its latest drilling program at its Acra Gold Project in Western Australia’s, which encouragingly have intersected high-grade gold mineralisation. The program comprised a 159-hole/8,298-metre combined RAB and air-core drilling program over three prospects within Acra.

Some of the most outstanding results include 15 metres at 17g/t Au from 42 metres depth (including 3 metres at 66.38g/t Au and 3 metres at 13.35g/t Au) from the Jubilee East prospect.

Technical Significance

The Acra project has a history dating back to the 1970s, with the Jubilee East prospect in particular being recognised for its potential to host nickel sulphide mineralisation. Whilst drilling by past explorers between the 1980s and early 2000s was focused on testing for nickel, a number of these historic holes also intersected significant gold mineralization.

Furthermore during 2010, Geoscience Australia completed the Predictive Mineral Deposits collaborative research project, which identified Acra as a priority target area. Pioneer is the first modern exploration company to systematically target gold with the benefit of the modern datasets.

The initial targets comprise the Jubilee East, Jubilee and Kalpini South prospects. Combining significant assays identified by prior explorers, Pioneers has estimated Jubilee East (now the primary target) to have a substantial strike length of 3km. These latest results have therefore enhanced the Jubilee East prospect to a very high priority gold target for 2013.
**Project Background**

During October 2012, Pioneer acquired 100% of the gold rights to the Acra Project from Xstrata Nickel Australasia Operations. The Acra transaction encompassed a 103 sq km ground position, situated 60km east of Kalgoorlie.

The majority of post-1980s-era exploration has focused on the discovery of nickel sulphides at the Jones and Jubilee Gossans, as well as the Acra nickel prospect – despite the fact that gold was mined at the historic Jubilee Gift underground mine. During the 2000s, multi-element datasets were collected which generated a very large coherent gold anomaly of around 20 km in length, which in turn attracted Pioneer to the project.

**The investment case for the Acra Gold Project is considered compelling:**

- A 2010 study by the Predictive Mineral Discovery Cooperative Research Centre (pmd*CRC) of the Geoscience Australian (GA) gave the immediate Acra area a very high prospectivity weighting.
- Most exploration within the Acra Project has focused on the discovery of nickel sulphides; however 2000s multi-element datasets collected included gold assays. The results indicate a major gold-bearing corridor with a strike length of 20 km. The anomaly is coincident with the pmd*CRC target.
- RAB drilling from the 1980s and early 1990s intersected gold. Drilling ranged in density from reconnaissance in the north of the project, to higher density but shallow drilling near the historic Jubilee Gift Mine. Because of the nickel focus, much of the early drilling was not assayed for gold.
- RC drilling, usually targeting nickel, intersected gold. There are very few deeper drill holes that specifically targeted gold.

**Other Planned Work**

Detailed fixed loop EM surveys are scheduled for February 2013 to follow up 2012 surveys which detected conductors (that may reflect nickel sulphide mineralisation) at the Duplex Hill, Anomaly 11 and Blair South prospects around Kalgoorlie. Encouragingly, disseminated nickel sulphide mineralisation has previously been intersected from drilling at the Blair South and Duplex Hill prospects.

Upon completion, selected targets (in addition to the Norton Prospect which is drill-ready) may be tested during the Q2 2013 RC drilling campaign.

**Summary**

I anticipate a high level of exploration activity, with a strong and steady flow of news to the market. The company retained cash of around $3.7 million as at 31/12/2012. Due to its size, the Jubilee East prospect rates as the front-running gold target for 2013. Target confirmation air-core drilling will resume during February 2013 and will test the initial 4.2km long gold anomaly. Subject to results, the company expects to commit to RC drilling during Q2 2013. Pioneer Resources remains on our Watch-list.
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