

23 July 2010

**ASX/Media Announcement**

## **Pioneer Completes Exploration Agreements for its Ravensthorpe Project**

Pioneer Resources Limited (ASX:PIO) is pleased to announce that it has entered into a sale and purchase agreement ("Agreement") with Tectonic Resources NL ("Tectonic"). Under the Agreement (which is subject to certain conditions being satisfied), Tectonic will acquire a 100% interest in the tenements, and all minerals excluding iron and manganese.

As consideration, Tectonic:

- Has agreed to pay to Pioneer a 1.5% NSR royalty over gold and copper won from the tenements; and
- Will issue Pioneer with 500,000, two year, unlisted options in Tectonic at a 10% premium to the 30 day VWAP.

Pioneer has reserved all rights to iron and manganese minerals. These rights are the subject of a separate option agreement between Pioneer and Mineral Resources Limited ("MIN"), which was announced to the market on the 9 April 2010. In the event that MIN elects to not exercise the option, iron and manganese rights will revert to Tectonic in return for a NSR royalty of 3.5%, payable to Pioneer on any production of these commodities.

Pioneer's Managing Director, David Crook, said that the transaction with Tectonic completes the Company's withdrawal from the Ravensthorpe District, allowing it to focus on its promising Mt Jewell Gold Project, located 55km N of Kalgoorlie, WA.

"Pioneer has now completed two transactions which will see the Ravensthorpe Project explored, and if warranted, mined by two strategically important companies.

"Today's transaction releases a very significant 172km of copper-gold tenements to the major copper-gold resource holder of the district, being Tectonic," he said.

This transaction recognizes the strategic importance of a consolidated tenement package when establishing a mining operation, and provides Tectonic with access to an extensive number of additional gold-copper targets. Tectonic plans to quickly convert some of the targets identified by Pioneer to resources which will supplement its Kundip Copper-Gold Project, located on adjacent tenements. Pioneer retains a risk-free level of exposure through its royalties.

## **About Pioneer Resources Limited**

Pioneer Resources Limited (**ASX: PIO**) is a specialist exploration company searching for gold and base metals in the Kalgoorlie District of Western Australia. The Company strives to add shareholder value by balancing work on advanced projects with active project generation from within the Company's 100%-owned and joint venture tenement portfolio.

The Mt Jewell Gold Project is a gold discovery located 55km km north of Kalgoorlie. Pioneer holds tenure to over 800 square kilometres of tenements covering a number of geological and structural terranes favourable for gold mineralization. A number of very encouraging gold intercepts have been reported from the Tregurtha and Hughes Prospects, which are located entirely within Granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Mines, located within adjacent tenements. The Federal and Golden Cities Deposits, owned by Norton Gold Fields Limited, had a pre-mining Mineral Resource exceeding 1,000,000 oz Au.

Pioneer has identified 15 additional gold targets within the portfolio and believes the Mt Jewell Project has the potential to host significant gold mineralisation which will be aggressive tested for during 2010.

A summary of the Company's activities is presented in a fact sheet and other reports available from the Company's web site at [www.PIOresources.com.au](http://www.PIOresources.com.au).

**Released by :**

Paul Armstrong

Read Corporate

Telephone: (+61-8) 9388 1474

**Further information:**

Mr David Crook

Pioneer Resources Limited

Telephone: (+61-8) 9322 6974

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Resources Limited, a member of The Australasian Institute of Mining and Metallurgy (member 105893) and is a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this report.