



18 September 2013

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## ASX/Media Announcement

### Response to media coverage

**Pioneer Resources Limited** ("Pioneer" or the "Company") (ASX: PIO) provides the following information in relation to media coverage in The Australian newspaper today, Wednesday 18 September, 2013 titled 'Pioneer Resources seeks \$2M for exploration'.

Pioneer advises that as a matter of course it continually assesses its ongoing capital requirements to advance the Company's Eastern Goldfields gold and nickel property portfolio, particularly ahead of a drilling program.

As part of this process, and among other alternatives, the board is investigating the possibility of bringing forward major current and deferred payments by means of a convertible note, effectively bringing forward a total of \$2.3 million in payments that presently fall due to the Company in March 2014 and 2015 respectively.

If the Company were to proceed with the convertible note, it would significantly strengthen the current cash position on a non-dilutive basis, with minimal downside risk to the Company.

At the end of June 2013, Pioneer reported that it held cash reserves of \$2.49 million with a further \$2.30 million due from KalNorth Gold Mines Limited (ASX: KGM) from the sale of the Mt Jewell project to KalNorth in 2012.

Pioneer's Managing Director, David Crook, said "The Company is about to embark on a drilling program at the Golden Ridge Nickel and Acra Gold Projects; and additional funds secured at this time would enable the Company to fast-track its exploration programs, whilst ensuring a strong underlying cash position".

For the avoidance of doubt, Pioneer stresses that although it continues to assess a number of potential funding options, at this point in time it has made no decision, or reached any agreement, on any specific funding or capital management initiative. In addition, the Company has not issued the proposed notes but has, as stated in The Australian article, appointed Kimber Capital to evaluate the proposal.

As a matter of course, the Company will keep the market fully apprised of any future capital raising activities.

ENDS

**Managing Director  
Pioneer Resources**

**For further information please contact:**

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## **BACKGROUND**

Pioneer Resources Limited is a specialist exploration company searching for gold and base metals in the Kalgoorlie District and Albany-Fraser Province of Western Australia. The Company strives to create shareholder value by combining work on advanced projects with active project generation from within the Company's 100%-owned and joint venture tenement portfolio.

In March 2012 Pioneer announced that it had sold the Western Mt Jewell Gold Project to Carrick Gold Limited (now KalNorth) for a cash consideration of \$8 million dollars, which included three deferred payments. Payments to date have totaled \$5.7 million with the remaining two installments due on the following dates; \$1.2 million on 6 March, 2014 and \$1.1 million on 6 March, 2015.

### **The Acra Gold Project**

Located 60km from Kalgoorlie, Pioneer acquired the Acra Gold Project in January 2013, and believes that the Project has the capacity to yield a large gold deposit which then will benefit from having the necessary mining services already established nearby.

Previous explorers have focused on the Project's nickel potential for over 40 years, however in doing so an excellent gold dataset has been aggregated. Pioneer becomes the first Company to specifically explore the Project for gold with the benefit of these datasets.

A very promising start has already been achieved, with three out of the initial four gold targets returning very strongly mineralised drill intercepts.

### **The Golden Ridge Nickel Project (including the Blair Nickel Mine)**

The move to 100% ownership for the Golden Ridge Project simplified a complex joint-venture structure and delivered the Blair Nickel Mine, which closed in 2008 when nickel prices declined.

The Company is quantifying the remaining nickel resources at the Blair Mine. Importantly, this study is also highlighting shallow, near-mine nickel targets which have the potential to grow the resource-base substantially.

Within the greater project area, the Company has identified 5 new nickel targets based on results from geochemistry, shallow drilling and EM surveys. Pioneer was awarded a State-funded EIS grant to drill these targets.

### **The Fairwater Gold and Nickel Project**

In late 2012 Pioneer acquired an entry point into the Albany-Fraser Orogenic Zone, an area of increasing mineral importance to Western Australia. The Fairwater Project exploration concept arose following the discovery of the Nova, and subsequently the Bollinger nickel deposits approximately 12 months ago.

Soil geochemistry has identified a number of nickel anomalies within likely Proterozoic-aged rock units. The first priority target has been tested using a helicopter-borne VTEM survey which identified 12 conductor anomalies, and 3 were coincident with geochemically anomalous nickel sites.

Surface EM surveys need to be completed before the targets will be drilled, and the Company has been awarded EIS funding to complete 2 holes. This has been delayed following widespread winter rains.

### **Competent Person Statement**

The information in the Announcement is based on information collected by the Company. Mr Crook is a full time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893). Mr Crook has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Crook consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### Assumptions

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.