

8 October 2015

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## ***Drilling at the Fairwater Nickel Sulphide Target in the Albany Fraser Orogen Commences***

### ***Up to \$129,500 of EIS co-funding awarded for this Program***

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Pioneer Resources Limited ("**Company**" or "**Pioneer**") (ASX: PIO) is pleased to announce that a program of diamond core drilling has commenced its Fairwater Nickel Project, located within the Albany Fraser Orogen in South Western Australia.

The initial program comprises 5 holes for a total of approximately 1,000m of drilling.

The holes are designed to test anomalies generated in aircore holes FWAC051 and FWAC069, completed earlier this year and released to ASX on 5 June and 6 July 2015<sup>1</sup>. The features of these anomalies include:

#### **FWAC051:**

- **Strongly anomalous nickel geochemistry in near-fresh ultramafic rocks including 0.51% Ni at 33 to 34m; and 0.61% Ni at 44 to 45m (45m is the end of the drill hole); Petrographic identification of nickeliferous supergene sulphide mineral(s) millerite-violarite from the 44 to 45m interval;**
- **With anomalous associated metals**  
Samples between 33m and 45m anomalous in Cu (max 244ppm), PGE (Pt+Pd max 61ppb).

#### **FWAC069:**

- **Strongly anomalous nickel geochemistry within near-fresh ultramafic rock including 8m at 0.33% Ni from 30m depth maximum 0.39% Ni;**
- **With anomalous associated metals**  
109ppm Cu from 30m depth, (maximum 336ppm Cu); and favourable Ni/Cr of 2.3,

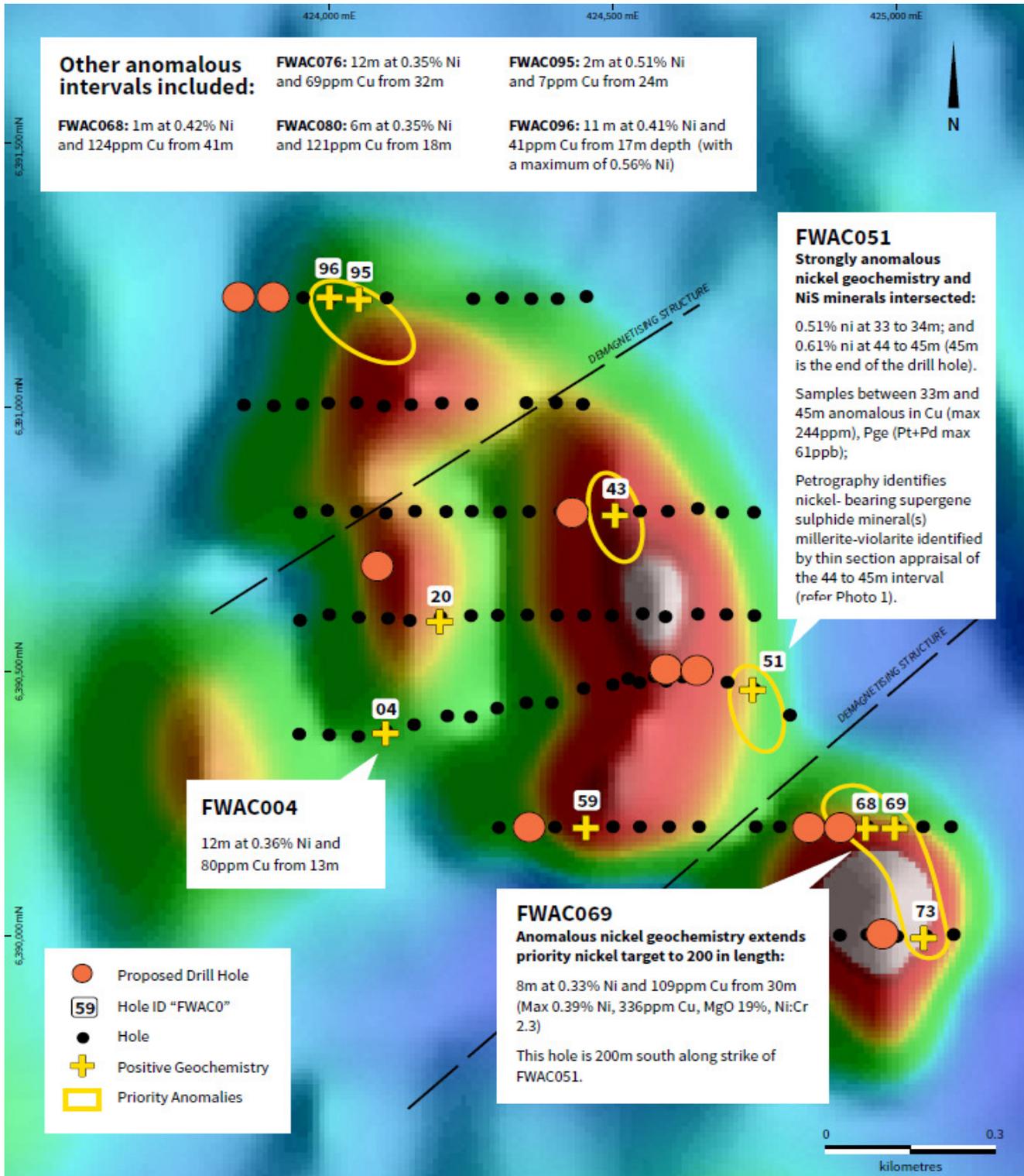
**FWAC069 is 200m south along strike from FWAC051.**

The objectives of the current drilling program include:

- Intersections of nickel sulphide mineralisation;
- Confirmation that the ultramafic rocks are compositionally correct to host nickel sulphide mineralisation, even if sulphides are not intersected in this drilling (i.e. positive nickel sulphide vector information);
- The nature of the emplacement of the ultramafic unit, which can have a bearing on the future exploration strategy;
- Holes will also act as a platform for down hole EM surveys.

## Timetable

- Drilling commenced today and is expected to take 5 weeks to complete;
- Core orientation, marking up and logging will be completed on site, with core transported to Kalgoorlie for cutting and sampling; and
- Final laboratory assays are expected towards the end of November 2015.



**Figure 1:** Fairwater Nickel Project: FWNi003 Prospect summary plan showing completed aircore drill hole locations (black dots) with locations of the diamond core holes for this program shown as orange dots. The underlying image is of aeromagnetic data which indicates the location of more-magnetic ultramafic rocks as warmer colours.

## ***Background to the FAIRWATER Nickel Project***

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The Fairwater Project's nickel targets are located in interpreted Proterozoic-aged rocks between 100 and 130km south west of Sirius Resources' (ASX: SIR) Nova and Bollinger nickel discoveries, in the Albany-Fraser Orogen in south east Western Australia (see Figure 3).

Proof of concept aircore drilling at Fairwater successfully confirmed the presence of ultramafic and mafic rocks, Ultramafic rock is identified by chemical composition, mineralogy and colour - principally its iron, magnesium, chromium and nickel content, and is a common host rock for nickel deposits world-wide.

The Fairwater Nickel Project is one of the Company's three key exploration assets. The other two are the Acra Gold Project near Kalgoorlie; and the Blair Nickel Mine near Kambalda. All are within Western Australia. In addition, the Company maintains a pipeline of assets, including the Juglah Dome/Dingo Dam VMS Prospect and the new Fleming Grove Nickel Prospect, which are periodically benchmarked against the key assets.

### **Competent Person**

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook. Mr Crook is a full time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893) and the Australian Institute of Geoscientists (member 6034). Mr Crook has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Additional information in respect of geochemical data and interpretations is by Dr Nigel Brand. Mr Crook and Dr Brand, consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Caution Regarding Forward Looking Information**

This document may contain forward looking statements concerning the projects owned by the Company. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific 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 mineralisation 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.

- Note 1. (Fairwater) Refer to Company announcements to ASX dated:
  - 21 July 2014, 13 April 2015, 5 June 2015, 6 July 2015
  - Quarterly Activities Report for the September 2014 quarter dated 31 October 2014, Quarterly Activities Report for the March 2015 quarter dated 30 April 2015.

The Company it is not aware of any new information or data that materially affects the information included in this Presentation

### **Glossary:**

“Aircore” is a blade drilling technique which returns relatively uncontaminated samples through a central annulus inside the drill pipes. It is used to test the regolith (near surface unconsolidated and weathered rock) as an alternative to RAB drilling when conditions are wet, sandy or holes need to go deeper than by RAB.

“Diamond Drilling” is a technique whereby rock is cut by a rotating diamond-set tubular bit to produce a cylinder of the rock.

“EM” means electromagnetic, a geophysical survey technique used to locate conductive rocks which may include nickel sulphide mineralisation. There are a number of configurations of transmitters, receivers and processing available depending on the application including Ground EM: commonly ‘moving loop’ or ‘fixed loop’; DHEM using a ‘down hole’ receiver coil; and ‘versatile time domain’ – VTEM which is an airborne system. SAMSON is a type of receiver with a very low signal to noise ratio.

“Fertility” means the attributes of a rock that contribute to the formation of a specific metal deposit. This may include the chemical composition and crystal structure of the rock-forming minerals, the sulphidation and/or oxidation state, the temperature of emplacement and degree of contamination by other rocks during emplacement.

“ppm” means 1 part per million by weight.

“Mafic” and “Ultramafic” are a class of igneous rocks high in magnesium “ma” and iron “fic”, which are thought to be derived from magma from near the earth’s mantle.

“RC” means reverse circulation, a drilling technique that is used to return uncontaminated pulverised rock samples through a central tube inside the drill pipes. RC samples can be used in industry-standard Mineral Resource estimates.

“Regolith” means the layer of loose, heterogeneous material covering solid rock. It includes dust, soil, broken rock, and other related materials. In Western Australia it most commonly refers to the almost ubiquitous layer of weathered and decomposed rock overlying fresh rock.

Elements: “Au” means gold, “Cu” copper, “Ni” nickel, “Ag” silver, “Pb” lead, “Zn” zinc, “Pt” platinum, “Pd” palladium, “PGE” platinum group element. Herein it means Pt+Pd

“N”, “S”, “E”, or “W” refer to the compass orientations north, south, east or west respectively.

“pXRF” means portable x-ray fluorescence. Pioneer owns an Olympus portable XRF analyser which is an analytical tool providing semi-quantitative analyses for a range of elements ‘in the field’.