

SINCLAIR ZONE CAESIUM DEPOSIT – PROJECT UPDATE

Perth, Western Australia, 17 January 2018: Pioneer Resources Limited ("Pioneer" or the "Company" (ASX: PIO)) is pleased to provide the following update on the Sinclair Zone Project.

Key Points

- Aboriginal heritage surveys completed and confirmation received from the Ngadju Native Title Aboriginal Corporation that it has no objections to the Sinclair Zone Project proceeding to full mining activities. This was a pre-requisite for further drilling and mining activities at the Sinclair Zone Caesium Deposit to proceed.
- Pre-mining diamond drilling commenced 15 January. This will further define the pollucite (the principal caesium mineral) which is the primary focus of the Sinclair Zone Project. The programme and interpretation of the results is expected to be completed by early February.
- New drill results will be used in final mine planning and scheduling, and will also include assessing the quality, and therefore marketability, of other pegmatite minerals that occur in proximity to the pollucite deposit.
- Mining activities scheduled to commence in June quarter, 2018. Documentation required by the West Australian Department of Mines, Industry Regulation and Safety is progressively being updated.

Completion of Aboriginal heritage surveys

Final reports from the archaeological and anthropological heritage surveys conducted in December last year have now been received from Ngadju Native Title Aboriginal Corporation (NNTAC). No sensitive sites were identified within the mining lease (M63/665) on which the proposed mining activities will be undertaken. One site was identified near to the proposed haul road, and the Company has agreed to a variation to an access route to avoid disturbing the site.

The NNTAC also confirmed that it has no objections to the Sinclair Zone Project proceeding to full mining activities on the proviso that the Company continues to meet its obligations in accordance with the mining and heritage agreements in place between the parties (refer ASX Release 30 October 2017).

Drilling Programme

A close-spaced diamond core drilling programme commenced on 15 January to further define the multiple pollucite lenses contained within the broader Sinclair Zone Project. Due to the high value of pollucite, the drilling density of mineralisation is to be reduced to a nominal 10m x 5m pattern and this

information will be used to finalise the most appropriate pit shell and mine schedule to extract the pollucite ore while minimising mining losses.

Mine Planning & Permitting

All documentation required by the West Australian Department of Mines, Industry Regulation and Safety to facilitate the commencement of mining activities at the Sinclair Zone Project is progressively being updated, including the Project Management Plan.

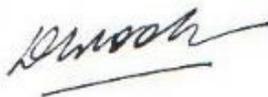
The Company is targeting the end of May to have all permitting and planning in place, and anticipates the commencing of mining activities in the June quarter of 2018.

The Company will provide more detailed information on the Sinclair Zone Project during February as drilling results come to hand and mining studies advance.

Marketability of other ores

Pioneer is also continuing its assessment of the marketability of other pegmatite minerals that will be mined while extracting pollucite from the Sinclair Zone Project. While the mining and sale of the Project's pollucite is the primary focus of the Project, the Company has identified material volumes of lepidolite and potassium feldspar that may also be economically significant. Early stage commercial discussions with third parties and expert market assessments continue in respect of these products.

Pioneer Managing Director David Crook stated; "The Company acknowledges the Native Title rights and interests held by the Ngadju People and that the Sinclair Zone Project falls within this land. We consider our long-term relationship with the Traditional Owners to be of paramount importance and thank NNTAC for facilitating recent heritage survey matters, which enables the Sinclair Zone Project to advance towards mining".



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ABOUT PIONEER RESOURCES LIMITED

Pioneer is an active exploration company focused on key global demand-driven commodities. This includes a portfolio of strategically located lithium, caesium, nickel, cobalt and gold projects in mining regions in Western Australia, plus a portfolio of high quality lithium assets in Canada.

The Company is focused on delivering shareholder value through targeted exploration programmes to enable the discovery and commercialisation of high value mineral resources whilst actively strengthening its project portfolio through acquiring, pegging and reviewing new opportunities.

Caesium occurs in the mineral pollucite, a rare mineral that forms in extremely differentiated LCT pegmatite systems. It is primarily used in the manufacture of Caesium Formate brine, a high value, high density fluid used in high temperature/high pressure oil and gas drilling.

Lithium has been classed as a 'critical metal' meaning it has a number of important uses across various parts of the modern, globalised economy including communication, electronic, digital, mobile and battery technologies; and transportation, particularly aerospace and automotive emissions reduction. Critical metals seem likely to play an important role in the nascent green economy, particularly solar and wind power; electric vehicle and rechargeable batteries; and energy-efficient lighting.

Cobalt is a global demand-driven commodity, with demand expanding in response to its requirement in the manufacture of cobalt-based batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses for cobalt include in the manufacture of super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.