



Pioneer Resources (ASX: PIO)

Pioneer working up WA triple-play

For Pioneer Resources (ASX: PIO), 2015 has been an important year in the advancement of the company's portfolio of emerging Western Australian gold and nickel projects.



PIONEER'S ACRA GOLD, BLAIR DOME NICKEL and Fairwater nickel projects are located within some of the country's hottest exploration postcodes, where recent exploration activities have achieved some very encouraging results.

Of the three projects, the Acra gold project is attracting more scrutiny from the company.

It would be fair to say that all three projects are pretty much level pegging in the company's pecking order, however there are subtleties that differentiate each from the others.

At the Fairwater nickel project, located within the Albany Fraser Orogen of the Fraser Ranges region, Western Australia (75% PIO), Pioneer has identified a prospective, nickel sulphide-containing, ultramafic intrusive unit, which has been confirmed by a program of aircore drilling.

The success of that round of drilling encouraged the company to embark upon its next phase of testing, a program of diamond core drilling, which is currently in progress.

"We regard the Fairwater nickel project highly, simply because it is

ticking all the boxes as far as Proterozoic intrusive nickel sulphide projects should behave," Pioneer Resources managing director David Crook told *The Resources Roadhouse*.

"However, it has very high exploration risk, but there are areas of the market that are prepared to invest in the Fraser Range region of Western Australia."

If Fairwater is to be categorised as 'high-risk', then in terms of being a much lower risk project, the Acra gold project puts its hand up, especially as it is targeting a commodity enjoying a recent renaissance of sorts.

The 100 per cent-owned Acra gold project covers an area of 370 square kilometres, 60 kilometres north east of Kalgoorlie in the Eastern Goldfields of WA.

Pioneer's exploration strategy for the Acra project is highlighting areas within a 20km long structural corridor.

Work carried out by the company to date has shown this corridor to contain multiple occurrences of gold mineralisation.

Drilling conducted at Acra has demonstrated a number of its prospects hold potential to be

high-grade, narrow vein, gold lode opportunities in addition to 'open pit' opportunities.

One such lode gold opportunity is the Kalpini South prospect where recent drilling returned very high gold grades, including:

- *KSDD001*
0.2 metres at 116 grams per tonne gold from 131m;
- *KSDD002*
1.2m at 20.8g/t gold from 145.71m, which included 0.2m at 84g/t gold;
- *KSRC004*
10m at 6.38g/t gold from 61m;
- *KSRC005*
9m at 5.31g/t gold from 36m;
- *KSRC007*
15m at 2.93g/t gold from 94m;
- *KSRC010*
3m at 5.44g/t gold from 128m;
- *KSRC018*
12m at 2.62g/t gold from 98m.

"At this stage the Acra gold project looks as though it could host a number of high-grade, lode style gold deposits," Crook said.

"We're not discounting the open pit scenario for Acra, because there is a paucity of drilling through large areas of the project, but at the moment the indications we have, are leading us more towards the high-grade lode situation.

"We acquired the ground in 2012, along with a substantial gold data base that was put together by earlier nickel explorers and we have been able to leverage off that pretty quickly.

"The drilling results we have put out over the past two years have demonstrated the prospectivity of the project and we are accelerating our exploration there now.



“In fact the capital raising we have just completed is dedicated to drilling at Acra.”

Pioneer completed a placement, receiving commitments for 35 million shares at 1.5 cents per share, to raise \$525,000 before costs, including \$61,250 from company directors.

Funds will be spent on further exploration programs at the Acra project, with work scheduled to commence in December 2015.

Work to be carried out includes:

- Down plunge diamond drilling of the emerging high-grade gold lode at the Kalpini South prospect;
- RC drill testing for shallower supergene gold mineralisation overlaying the high-grade gold lode;
- Aircore testing of a new gold-in-soil geochemistry called the Kalpini Knight prospect, located 120m south of, and parallel to, the Kalpini South prospect; and
- Aircore testing three EM conductors near Kalpini South.

“We have drilled four prospects so far at Acra, and all have encountered grades that are the kind you want to see around a mine,” Crook said.

“It’s just a matter now of tracking down where the mine is actually going to be.

“The Kalpini South project is the first one we have been drilling and that

is looking as though it is a high-grade shoot.

“Soil geochemistry and historical records are leading us to believe the area is prospective for a series of these shoots within about three kilometres of Kalpini South.

“So we are hoping for a swarm of high-grade shoots within the Kalpini area and that’s where our next drilling program will be targeting, before Christmas.”

Although the bulk of the company’s focus is on Acra for now, the project Crook considers to hold the greatest potential to become a company maker is the Blair Dome nickel project

“That is because the nearby nickel camps at Kambalda, Tramways and Widgiemooltha all have clusters of deposits,” he explained.

“Blair is the exception as to date only two deposits have been located.

“A lot of the preparatory, high-level exploration work was successful, and identified a number of targets with nickel mineralisation vectors.

“But there hasn’t been much work done chasing these targets since WMC in the 1990s.

“The volume of follow-up exploration work carried out away from the immediate mine area remains very little, so we believe the potential for finding significant amounts of high-grade nickel – because the Blair mine was a high-grade mine – remains very good indeed.”

The 100 per cent-owned Blair Dome nickel project is also located in the Eastern Goldfields region of WA.

At just 29sqkm, it is smaller than Acra, however its proximity to infrastructure, being mid-way between Kalgoorlie (35km) and the Kambalda processing facility, offers great benefit through lower establishment capital costs.

The most recent work by Pioneer’s geologists concluded the Blair Mine sits at the southern end of a south-plunging anticline or dome structure.

“The new model that we have put out – called the Blair Dome –

recognises that Blair sits atop a dome structure of the same size scale as the major nickel producing Kambalda and Tramways Domes,” Crook said.

“The new model provides better directions to areas that should be prospective, and then the historical records can be used to prioritise the resulting targets.”

Pioneer believes the proposed geological dome model it has established, while not unique within the Goldfields, changes the company’s understanding of the Blair project, with important, positive exploration ramifications.

More importantly, the revised geological model brings coherence to geology and the observed targets.

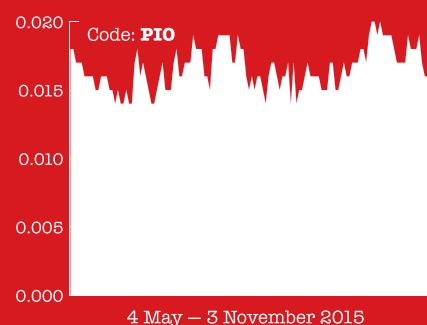
“What we offer investors is diversification in terms of exploration risk and commodity choice.

“Fairwater is a real greenfields play, as opposed to the Blair Dome which is in an established nickel domain,” Crook said.

“And this is balanced with the extremely compelling gold targets at Acra, which are ready to go, and that’s where we plan to be for the rest of this year.”

The Short Story

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