



PIONEER RESOURCES LIMITED

ABN 44 103 423 981

and its controlled entities

**Interim Financial Report
for the
Half-Year ended 31 December 2017**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Pioneer Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

PIONEER RESOURCES LIMITED

ABN 44 103 423 981

and its controlled entities

CORPORATE DIRECTORY

DIRECTORS

Craig I McGown
Independent Non-Executive Chairman

David J Crook
Managing Director

Allan Trench
Independent Non-Executive Director

Thomas W Spilsbury
Independent Non-Executive Director

COMPANY SECRETARY

Timothy G Spencer

PRINCIPAL REGISTERED OFFICE

21 Ord Street
West Perth
Western Australia, 6005
Telephone: (08) 9322 6974
Facsimile: (08) 9486 9393
Email: pioneer@PIOresources.com.au
Internet: www.PIOresources.com.au

AUDITOR

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth
Western Australia, 6000

SHARE REGISTRY

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross
Western Australia, 6153
Telephone: (08) 9315 0933
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

STOCK EXCHANGE LISTING

The Company's shares are quoted on the Australian Securities Exchange. The Home Exchange is Perth.

ASX CODE

PIO - ordinary shares
PIOO – listed options exercisable at 6 cents each by 31 July 2018

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PIONEER RESOURCES LIMITED
and its controlled entities

DIRECTORS' REPORT

Your Directors present their report on the Group (referred to hereafter as the Group) consisting of Pioneer Resources Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the half-year 31 December 2017.

DIRECTORS

The following persons held office as Directors of Pioneer Resources Limited during the half-year and until the date of this report:

***Craig Ian McGown* – B Comm, FCA, ASIA**
Independent Non-Executive Chairman

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 40 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown brings to the Board a comprehensive knowledge of equity and debt markets and financing of resource projects.

***David J Crook* – B.Sc, MAusIMM, MAIG, GAICD**
Managing Director

Mr Crook was appointed the inaugural Managing Director of the Company on 11 August 2003. Mr Crook is a geologist with over 35 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles including the Company's IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade working in operational gold mines. Prior to being employed by the Company his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production at the Gidgee Gold Mine, and exploration manager at Heron Resources Limited.

***Allan Trench* – B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, FAusIMM, FAICD**
Independent Non-Executive Director

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including iron ore, nickel, copper, gold, lithium, oil & gas and also across a number of the minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd, Woodside Petroleum Limited and with the independent mining & metals analysis global consultancy CRU Group. He is presently a Professor of Practice at the Business School, University of Western Australia and is also a Research Professor (Risk & Value) at the Centre for Exploration Targeting, University of Western Australia.

PIONEER RESOURCES LIMITED
and its controlled entities

DIRECTORS' REPORT

DIRECTORS (Continued)

Thomas Wayne Spilsbury – *B.Sc (Hons), M.Sc (Applied Geology), APEGBC (P. Geo.), FAusIMM CP (Geo), MAIG, GAICD*
Independent Non-Executive Director

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M.Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 40 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia. Mr Spilsbury also has significant experience in the exploration for and development of lithium projects.

The Directors named above each held office as at 31 December 2017.

COMPANY SECRETARY

Timothy Spencer – *B.Econ, CPA*

Mr Spencer was appointed Company Secretary on 21 November 2017 also holds the position of Chief Financial Officer (appointed 17 October 2017). Mr Spencer received an Economics degree (accounting major) from Monash University, Victoria and is a qualified accountant, holding full membership with CPA Australia. He has over 25 years' experience in mining and precious metals markets, working in various accounting, treasury and finance roles with four mining companies, including roles as Chief Financial Officer, Company Secretary and Executive Director.

REVIEW OF OPERATIONS

The Group recorded an operating loss after income tax for the half-year ended 31 December 2017 of \$1,513,618 compared to the 31 December 2016 operating loss after income tax of \$637,997. The result for the half-year ended 31 December 2017 included exploration write-offs totalling \$326,631 (31 December 2016: \$131,375).

During the half-year the Group incurred a total of \$1,613,900 on exploration and evaluation expenditure. The Group's efforts were focussed during the reporting period on:

- The Pioneer Dome Lithium Project in Western Australia, encompassing the caesium bearing Sinclair Zone.
- The Golden Ridge Project in Western Australia.
- The Kangan Gold Project located in the Pilbara, Western Australia.
- The Mavis Lake JV Lithium Project in Canada.

Key outcomes included:

- Granting of a mining lease (M63/665) on 13 November 2017 covering the Sinclair Zone Project.
- Comprehensive mining and heritage agreements were concluded with Ngadju Native Title Aboriginal Corporation covering the Pioneer Dome/Sinclair Zone Projects
- Further drilling programmes conducted at Pioneer Dome/Sinclair Zone Projects, covering PEG003, PEG004, PEG007 and at PEG008 which covers the Sinclair Zone.
- Further progress in the development and planning of the Sinclair Zone mining activities to extract the caesium bearing pollucite deposit.
- The Group also carried out work to assess the potential of for sediment/conglomerate-hosted gold at its 100% owned Kangan Project located in the west Pilbara gold region.

Ordinary Shares Issued

- On 14 July 2017, the Company issued 1,406,807 shares to Milford Resources Pty Ltd in accordance with the Lithium Exploration Licence Application Agreement which was in respect of the applications/licenses pegged by Milford Resources.
- On 14 July 2017, the Company issued 2,073,075 shares to International Lithium Corp in accordance with the Mavis Lake Lithium Project Joint Venture Agreement which is the first annual instalment being the scrip component.
- On 18 September 2017, the Company issued 75,357,142 shares at an issue price of \$0.014 per Share to raise \$1,055,000 (before issue costs) which was the September placement to institutional and high net worth investors.
- On 18 September 2017, the Company issued 735,662 shares to International Lithium Corp. in accordance with the Raleigh Lithium Project Joint Venture Agreement as announced on 13 July 2016.
- On 23 October 2017, the Company issued 312,363,663 shares to applicants participating in the Company's Share Purchase Plan.
- On 21 November 2017, the Company's issued 17,499,998 shares to the Company's directors following approval from shareholders at the Annual General Meeting of shareholders held on 21 November 2017, for the directors to participate in the share placement referred to in the third bullet point above.

On 7 November 2017, the Company issued three tranches of unlisted Employee Share Option Plan ("ESOP") options, details as follows:

- 2,233,333 unlisted ESOP options with exercise price \$0.026 each and expiry date 27/10/2020 (no vesting conditions);
- 2,233,333 unlisted ESOP options with exercise price \$0.05 each and expiry date 27/10/2020 (no vesting conditions);
- 2,233,333 unlisted ESOP options with exercise price \$0.075 each and expiry date 27/10/2020 (no vesting conditions);

The Company's cash position at the end of the half-year was \$5,440,772.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2017.

This report is made and signed in accordance with a resolution of Directors.

Dated at Perth this 1 March 2018.



DJ Crook
Managing Director

The Board of Directors
Pioneer Resources Limited
21 Ord Street
West Perth WA 6005

1 March 2018

Dear Board Members

Pioneer Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Resources Limited.

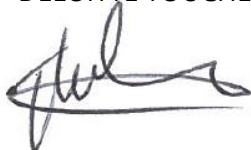
As lead audit partner for the review of the financial statements of Pioneer Resources Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Pioneer Resources Limited

We have reviewed the accompanying half-year financial report of Pioneer Resources Limited, which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pioneer Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pioneer Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

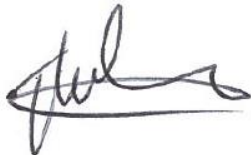
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pioneer Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler
Partner
Chartered Accountants
Perth, 1 March 2018

PIONEER RESOURCES LIMITED
and its controlled entities

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Pioneer Resources Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes of the Group, as set out on pages 8 to 19:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2017 and the performance for the half-year ended on that date of the Group.
2. In the Director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 1st March 2018.



DJ Crook
Managing Director

PIONEER RESOURCES LIMITED
and its controlled entities

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the half-year ended 31 December 2017

	Note	31-Dec 2017 \$	31-Dec 2016 \$
Continuing Operations			
Other income	2(a)	13,515	567,983
Total revenue		<u>13,515</u>	567,983
Employee expenses		(674,052)	(421,243)
Corporate expenses		(348,581)	(290,283)
Depreciation	2(b)	(8,987)	(7,652)
Rental expense on operating leases	2(b)	(55,075)	(52,090)
Non-Executive Directors' fees		(92,500)	(92,500)
Insurance expenses		(29,912)	(25,873)
Legal expenses		(66,215)	(30,504)
Employee costs recharged to capitalised exploration		301,935	292,315
Other costs recharged to capitalised exploration		3,000	94,836
Cost base of 20% interest in Acra Gold Project		(104,966)	(391,900)
Exploration expenditure written off	2(b)	(326,631)	(131,375)
Expense of share-based payments	2(b)	(104,996)	(81,180)
Corporate advisory expenses		(94,500)	(37,000)
Conferences/seminars		(30,649)	(31,531)
Loss before income tax		<u>(1,513,618)</u>	(637,997)
Income tax		-	-
Net loss from continuing operations for the half-year		<u>(1,513,618)</u>	(637,997)
Other comprehensive income		-	-
Total comprehensive loss for the half-year attributable to members of the Company		<u>(1,513,618)</u>	(637,997)
Loss per share from continuing operations			
Basic loss per share (cents per share)	5	(0.13)	(0.06)
Diluted loss per share (cents per share)	5	(0.13)	(0.06)

The accompanying notes form an integral part of these financial statements.

PIONEER RESOURCES LIMITED
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	31-Dec 2017 \$	30-Jun 2017 \$	31-Dec 2016 \$
CURRENT ASSETS				
Cash and cash equivalents		5,440,772	2,240,670	4,418,616
Other receivables		189,507	448,767	50,220
Other financial assets		288,793	193,484	268,625
Other current assets		-	-	123,366
TOTAL CURRENT ASSETS		5,919,072	2,882,921	4,860,827
NON-CURRENT ASSETS				
Plant, equipment and motor vehicles		33,222	40,851	49,831
Capitalised mineral exploration	3	11,376,001	10,088,731	9,811,092
TOTAL NON-CURRENT ASSETS		11,409,223	10,129,582	9,860,923
TOTAL ASSETS		17,328,295	13,012,503	14,721,750
CURRENT LIABILITIES				
Trade and other payables		545,321	599,832	326,594
Provisions		132,173	143,574	130,183
TOTAL CURRENT LIABILITIES		677,494	743,406	456,777
TOTAL LIABILITIES		677,494	743,406	456,777
NET ASSETS		16,650,801	12,269,097	14,264,973
EQUITY				
Contributed equity	4	39,964,505	34,332,598	34,332,598
Share option reserve		1,352,228	1,247,262	1,247,262
Fair value reserve		193,258	54,726	166,044
FX Translation reserve		19,918	-	-
Accumulated losses		(24,879,108)	(23,365,489)	(21,480,931)
TOTAL EQUITY		16,650,801	12,269,097	14,264,973

The accompanying notes form an integral part of these financial statements.

PIONEER RESOURCES LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2017

	Contributed Equity	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2017	34,332,598	1,247,262	54,726	-	(23,365,489)	12,269,097
Loss for the period	-	-	-	-	(1,513,618)	(1,513,618)
Other comprehensive loss:	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	19,918	-	19,918
TOTAL COMPREHENSIVE LOSS	-	-	-	19,918	(1,513,618)	(1,493,700)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued for cash during the period (net of transaction costs)	5,538,632	-	-	-	-	5,538,632
Shares issued not for cash during the period (net of transaction costs)	93,275	-	-	-	-	93,275
ESOP options issued to employees	-	104,966	-	-	-	104,966
Fair value of investments	-	-	138,531	-	-	138,531
BALANCE AT 31 DECEMBER 2017	39,964,505	1,352,228	193,257	19,918	(24,879,107)	16,650,801
BALANCE AT 1 JULY 2016	32,988,552	895,193	282,229	-	(20,842,934)	13,323,040
Loss for the period	-	-	-	-	(637,997)	(637,997)
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE LOSS	-	-	-	-	(637,997)	(637,997)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued for cash during the period (net of transaction costs)	1,500,772	-	-	-	-	1,500,772
Fair value of free attaching options	(190,208)	190,208	-	-	-	-
Shares issued not for cash during the period (net of transaction costs)	114,163	-	-	-	-	114,163
Options issued in lieu of transaction costs	(80,681)	80,681	-	-	-	-
Director options issued during the half- year	-	81,180	-	-	-	81,180
Fair value of investments	-	-	(116,185)	-	-	(116,185)
BALANCE AT 31 DECEMBER 2016	34,332,598	1,247,262	166,044	-	(21,480,931)	14,264,973

The accompanying notes form an integral part of these financial statements.

PIONEER RESOURCES LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2017

	31-Dec 2017	31-Dec 2016
	\$	\$
Cash flows from operating activities		
Interest received	11,935	57,743
Sundry income received	1,580	2,329
R&D and EIS incentives received	86,250	464,031
Payments to suppliers and employees (inclusive of goods and services taxes)	<u>(1,147,766)</u>	<u>(689,977)</u>
Net cash flows used in operating activities	<u>(1,048,001)</u>	<u>(165,874)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(1,289,170)	(2,271,147)
Proceeds from the sale of 20% of the Acra Gold Project	-	500,000
Payments for plant and equipment	<u>(1,360)</u>	<u>(37,171)</u>
Net cash flows used in investing activities	<u>(1,290,530)</u>	<u>(1,808,318)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	5,673,091	1,518,299
Payment for transaction costs relating to the issue of shares	<u>(134,459)</u>	<u>(223,751)</u>
Net cash flows provided by financing activities	<u>5,538,632</u>	<u>1,294,548</u>
Net increase/(decrease) in cash and cash equivalents held	3,200,101	(679,644)
Cash and cash equivalents at the beginning of the half-year	<u>2,240,670</u>	<u>5,098,260</u>
Cash and cash equivalents at the end of the half-year	<u>5,440,772</u>	<u>4,418,616</u>

The accompanying notes form an integral part of these financial statements.

PIONEER RESOURCES LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose half-year financial statements for the half-year ended 31 December 2017 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: *Interim Financial Reports* and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting". The Board considers the Group has sufficient cash resources to meet all operating costs for at least the next 12 months from the date of this report.

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Pioneer Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017.

In the half-year ended 31 December 2017, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its controlled entities as at 31 December 2017 ('the Group').

Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2017.

PIONEER RESOURCES LIMITED
and its controlled entities

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards ²	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019

PIONEER RESOURCES LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

2. REVENUE AND EXPENSES

Revenue and expenses from continuing operations	31-Dec 2017 \$	31-Dec 2016 \$
(a) Revenue		
Proceeds from the sale of 20% interest in the Acra Gold Project	-	500,000
Interest income	11,935	65,654
Other income	1,580	2,329
	13,515	567,983
(b) Expenses		
Contributions to employees superannuation plans	45,279	34,134
Depreciation	8,987	7,652
Expense of share-based payments	104,966	81,180
Rental expense on operating leases	55,075	52,090
Provision for employee entitlements	23,966	3,126
Exploration expenditure written off	326,631	131,375

PIONEER RESOURCES LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

3. CAPITALISED MINERAL EXPLORATION

	31 Dec	30 Jun
	2017	2017
	Half Year	Year
Non-current		
<i>In the exploration and evaluation phase</i>		
Opening balance at 1 July	10,088,731	8,025,942
Expenditure for the period	1,613,901	4,356,610
Less: Acra Gold Project 20% interest divested	-	(391,900)
Less: co-funded government initiative	-	(86,250)
Exploration expenditure written off	(326,631)	(1,815,671)
	11,376,001	10,088,731

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Exploration write-downs for half-year ended 31 December 2017 totalled \$326,631 (31 December 2016: \$131,375) which related primarily to the Fairwater Project where specific tenements underlying areas of interest were surrendered.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

4. CONTRIBUTED EQUITY

	31 Dec 2017	30 Jun 2017	30 Jun 2016
(a) Issued Capital			
	No. on issue	No. on issue	No. on issue
Ordinary shares	1,447,168,675	1,037,732,328	1,037,732,328
	\$	\$	\$
Ordinary shares	39,964,505	34,332,598	34,332,598

During the half-year ended 31 December 2017 the following ordinary shares were issued:

- (i) On 14 July 2017, the Company issued 1,406,807 shares to Milford Resources Pty Ltd in accordance with the Lithium Exploration Licence Application Agreement which was in respect of the applications/licenses pegged by Milford Resources.
- (ii) On 14 July 2017, the Company issued 2,073,075 shares to International Lithium Corp in accordance with the Mavis Lake Lithium Project Joint Venture Agreement which is the first annual instalment being the scrip component.
- (iii) On 18 September 2017, the Company issued 75,357,142 shares at an issue price of \$0.014 per Share to raise \$1,055,000 (before issue costs) which was the September placement to institutional and high net worth investors.
- (iv) On 18 September 2017, the Company issued 735,662 shares to International Lithium Corp. in accordance with the Raleigh Lithium Project Joint Venture Agreement as announced on 13 July 2016.
- (v) On 23 October 2017, the Company issued 312,363,663 shares to applicants participating in the Company's Share Purchase Plan.
- (vi) On 21 November 2017, the Company's issued 17,499,998 shares to the Company's directors following approval from shareholders at the Annual General Meeting of shareholders held on 21 November 2017, for the directors to participate in the share placement referred to in (iii) above.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

(b) Options

The following unlisted options are outstanding in respect of ordinary shares as at 31 December 2017:

Number of Options		Exercise Price	Expiry
44,339,669	(i)	6 cents each	31-Jul-2018
5,000,002	(ii)	2.6 cents each	30-Apr-2018
5,500,001	(ii)	5 cents each	30-Apr-2018
5,499,997	(ii)	7.5 cents each	30-Apr-2018
3,270,400	(ii)	5.4 cents each	4-Sep-2018
6,000,000	(ii)	6 cents each	31-Jul-2018
2,233,333	(iii)	2.6 cents each	20-Oct-2020
2,233,333	(iii)	5 cents each	20-Oct-2020
2,233,333	(iii)	7.5 cents each	20-Oct-2020
76,310,068			

(i) listed options (ASX Code: P100).

(ii) unlisted options.

On 7 November 2017, the Company issued three tranches of unlisted Employee Share Option Plan ("ESOP") options, details as follows:

Number of Options		Exercise Price	Expiry
2,233,333		2.6 cents each	27-Oct-2020
5,000,002		5 cents each	27-Oct-2020
5,500,001		7.5 cents each	27-Oct-2020

The fair value of the above 6,699,999 equity-settled share options was estimated as at the date of grant using a Binominal option model taking into account the terms and conditions upon which the options were granted as follows:

Underlying security share price	\$	0.029	0.029	0.029
Vesting		Upon Granting	Upon Granting	Upon Granting
Exercise price	\$	0.026	0.05	0.075
Grant date		27/10/17	27/10/17	27/10/17
Expiry date		27/10/20	27/10/20	27/10/20
Days to expiry	Days	1096	1096	1096
Number of options issued	Qty	2,233,333	2,233,333	2,233,333
Volatility	%	101.03%	101.03%	101.03%
Risk-free interest rate	%	1.66%	1.66%	1.66%
Valuation per option	\$	0.019	0.015	0.013
Value per option class	\$	42,433	33,500	29,033

During the half year ended 30,000,000 unlisted options with an exercise price of 30 cents per option expired on 15 October 2017.

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For the half-year ended 31 December 2017

5. LOSS PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted loss per share:

	31 Dec 2017	30 Jun 2017
	\$	\$
Loss used in calculating basic and diluted loss per share	(1,513,618)	(637,997)
Weighted average number of ordinary shares used in calculating basic loss per share	1,205,810,602	1,034,761,992
Basic loss per share - cents per share	(0.13)	(0.06)
<i>Effect of dilutive securities</i>		
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	1,205,810,602	1,034,761,992
Diluted loss per share - cents per share	(0.13)	(0.06)

* The options, whilst convertible to ordinary shares, are not dilutive as they would decrease the loss per share.

6. DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2017.

7. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 December 2017, no event has arisen that would be likely to materially affect the operations of the Group, the results of the Group or the state of affairs of the Group not otherwise disclosed in the Group's financial statements.

8. CONTINGENT ASSETS AND LIABILITIES

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

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For the half-year ended 31 December 2017

9. SEGMENT INFORMATION

The Group operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Group is domiciled and operates in two segments being Australia and Canada and these are treated as discrete segments. Detailed information on the segments is as follows:

Half-year ended 31 December 2017

	Australia	Canada	Total
	\$	\$	\$
Revenue	13,515	-	13,515
Operating loss before tax	(1,513,216)	(402)	(1,513,618)
Income tax	-	-	-
Net loss after tax	(1,513,216)	(402)	(1,513,618)
Segment assets	16,286,854	1,041,441	17,328,295
Segment liabilities	677,494	-	677,494

10. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables. The carrying amount of these financial assets and liabilities approximate their fair value. The Group holds share and warrants in International Lithium Corp (TSX Venture: ILC.V) which are measured at fair value.