

Pioneer Resources

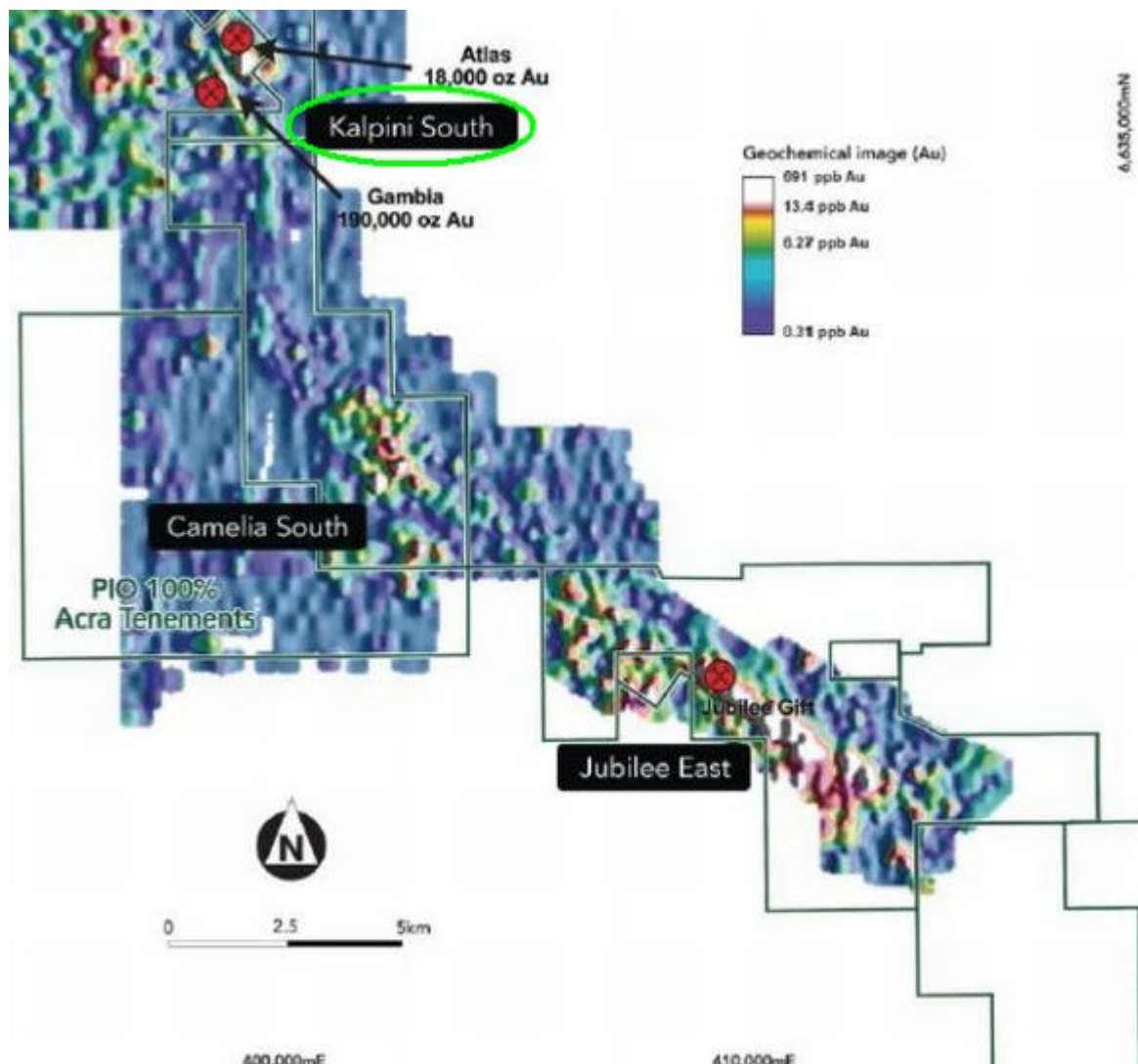
26/03/2014 FAT-MIN-416

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Speculative **HIGH**

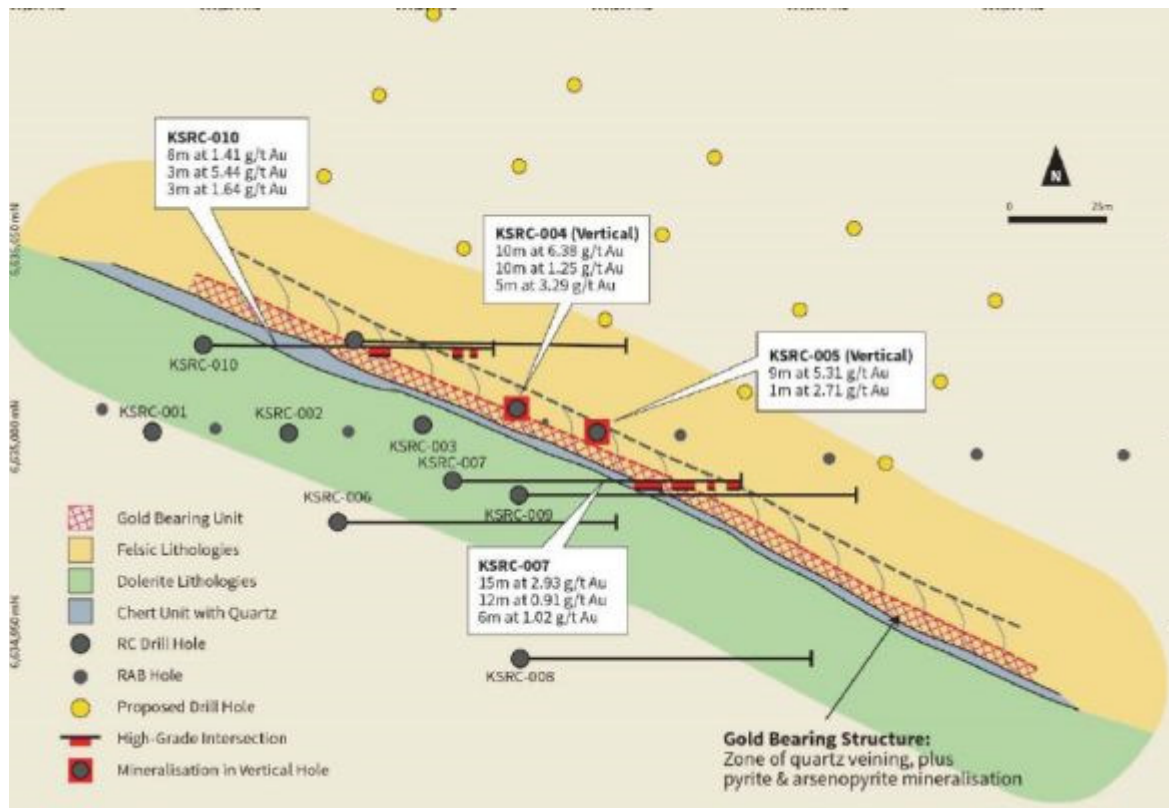
Rigs roll into Acra

Pioneer Resources will soon follow-up on its successful 2013 drill programme at its Acra gold project in Western Australia. The new 2014 drill programme will also be focussed on the Kalpini South prospect. The goal of the programme will be to expand the known resource and prepare for a potential maiden resource declaration. The following figure shows, for the Acra project, a geochemical image overlay for gold (Kalpini South is highlighted, Au is the symbol for gold):



Source: Pioneer Resources

Early drilling on the Kalpini South prospect has intersected gold mineralisation, with the better assay results being ten metres graded at 6.38 grams per tonne (g/t) gold from 61 metres and nine metres graded at 5.31g/t gold from 36 metres. Gold mineralisation at Kalpini South has been intersected over a strike length of 100 metres, and remains open along strike and down dip. The following figure shows a concept schematic of the Kalpini South geology with the proposed drill hole locations shown:



Source: Pioneer Resources

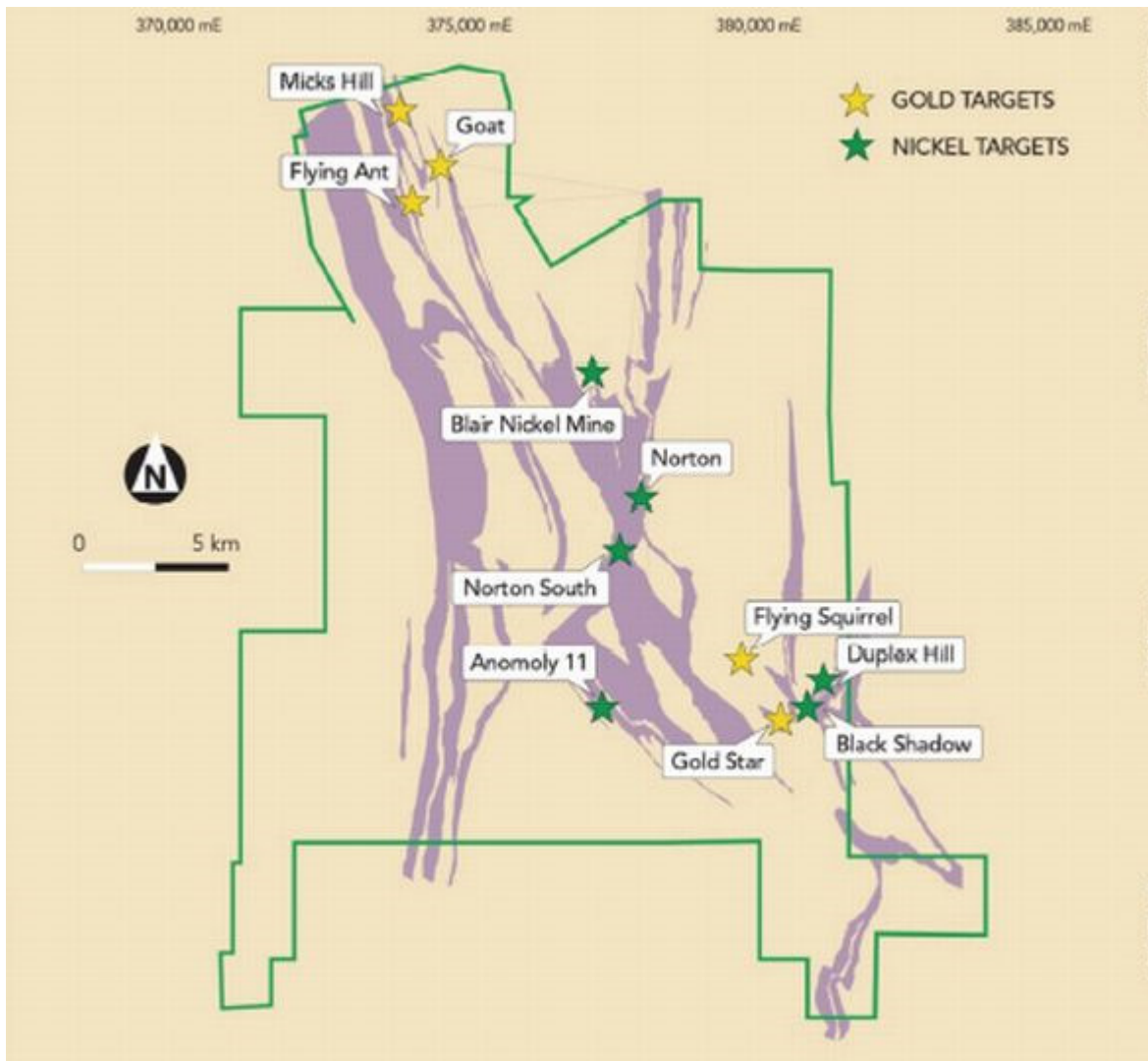
We consider the results to be significant as to grade, seam width and depth and could indicate the presences of a major gold system. The company's 2014 drill programme at Kalpini South will consist of 15 holes for a total of 2,000 metres. **Assay results from the 2014 drill programme are expected in May 2014.** We will monitor announcements about Kalpini South with major interest.

In support of the 2014 drill programme at Kalpini South, the company is currently conducting an electromagnetic (EM) survey across the site. Analysis of the EM data will be used to select final drill positions.

Kalpini South will be the main focus of exploration in 2014. Two other prospects in Camelia South and Jubilee East have also shown gold mineralisation. At Jubilee East the better assays included 13 metres graded at 2.84g/t gold from 72 metres and four metres graded at 8.1g/t gold from 34 metres. For Camelia South the better assays were three metres graded at 4.34g/t gold from 45 metres and three metres graded at 3.68g/t gold from 42 metres. **Again, these are significant results that will warrant attention after Kalpini South.**

We believe the next round of assay results from the Kalpini South drill programme will reduce some of the exploration risk in the prospect. A maiden resource will be the first key step to de-risk the Acra project.

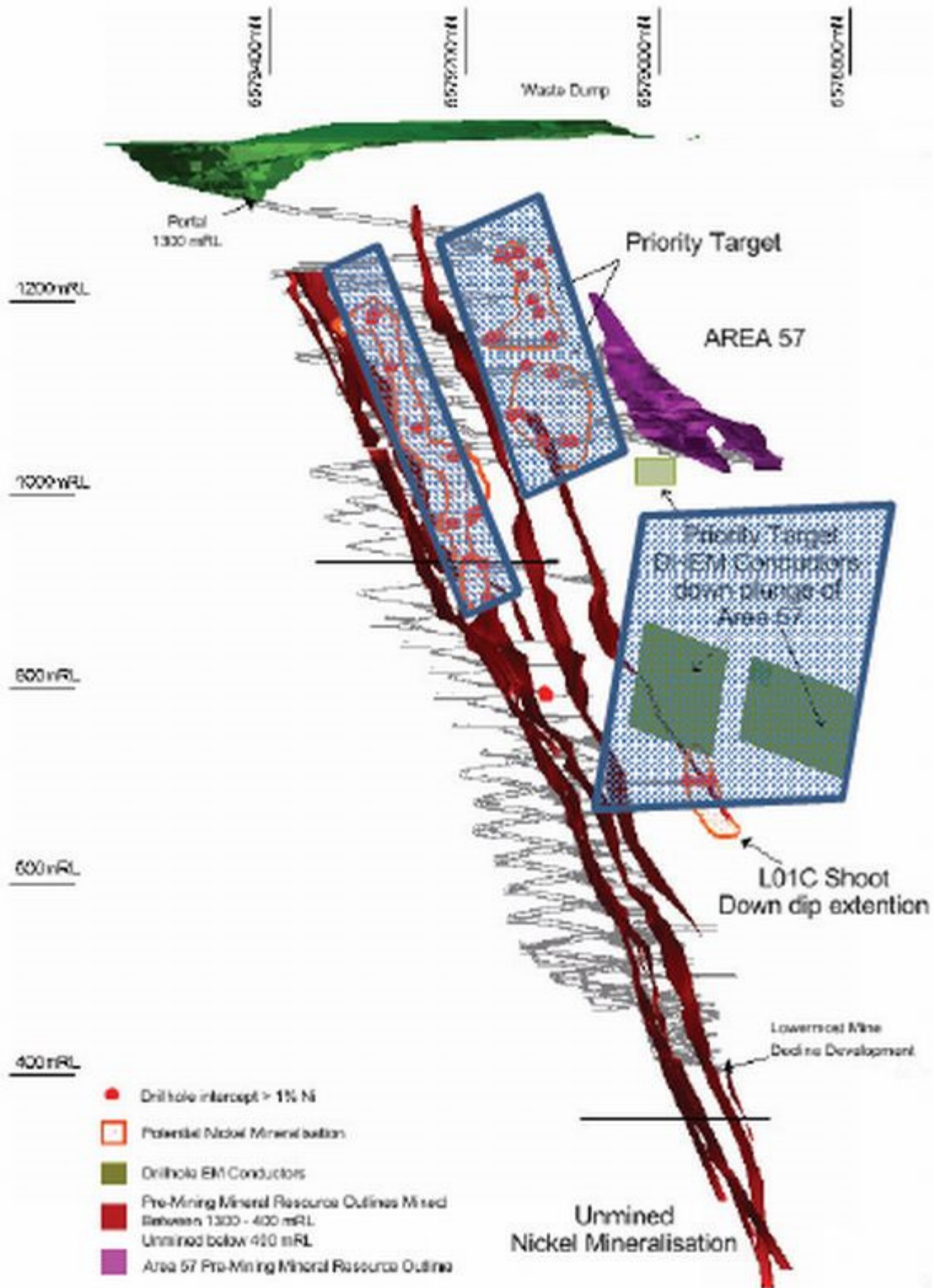
The region around the old Blair nickel mine hosted in the Golden Ridge tenement is also receiving attention from the company. The following figure shows the Golden Ridge tenement:



Source: Pioneer Resources

The Blair mine has a historic resource statement of 222,710 tonnes of ore graded at 2.92% nickel. The Blair mine has an active off-take agreement to sell nickel product to BHP Billiton.

To progress exploration at the old Blair mine, the company is conducting a fixed loop electromagnetic (FLEM) survey over the old mine workings. The focus of exploration activities will be on the identified targets adjacent to the existing mine infrastructure. The following figure shows a schematic of the old underground mine infrastructure showing the priority targets (highlighted):

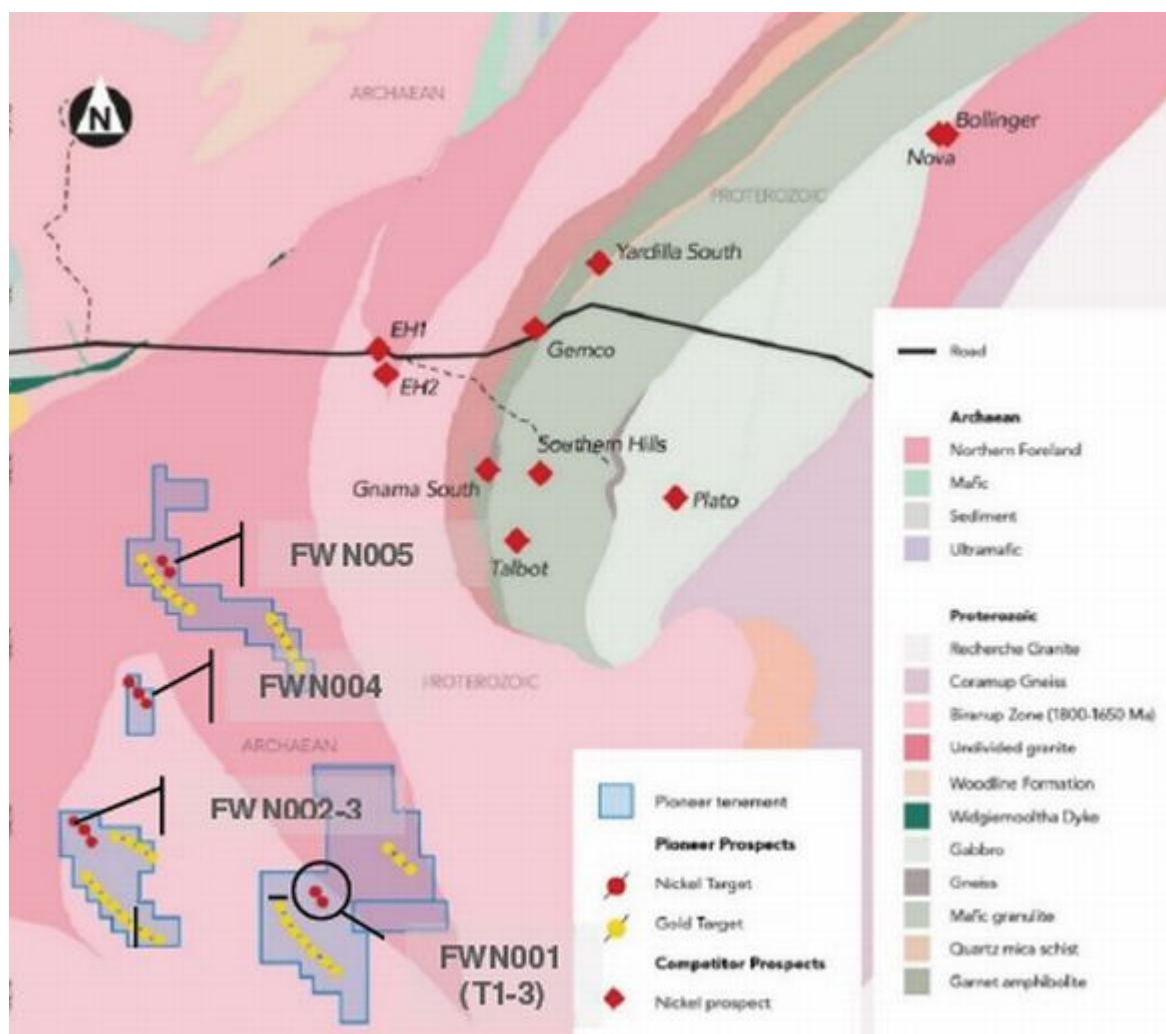


Source: Pioneer Resources

The FLEM survey data will be used in conjunction with historic drill results to expand the extent of the known nickel mineralisation. Some of the better historic results showed 4.2 metres graded at 2.29% nickel and 5.46 metres graded at 3.26% nickel. These results are significant given the existence of mine infrastructure. Success in identifying additional nickel will add to the known high grade mineralisation of greater than 4% nickel at the base of the mine development.

The Golden ridge project and especially the region of the Blair mine appears to remain prospective for nickel.

Exploration at the company's Fairwater nickel project (Pioneer's interest 75%) will be surface activities. The following figure shows geology of the Fairwater project area:



Source: Pioneer Resources

In 2014, the company's plans to conduct a 4,500 geochemical soil sampling programme, with a focus on the FWNi003 prospect. The results from the soil sampling should be available in the June quarter 2014. An EM survey will also be run over the tenement, with the data used to plan a potential drill programme at Golden Ridge.



At 31 December 2013, the company had a cash resource of A\$1.4 million. Expenditure for the current quarter is budgeted at A\$500,000, of which A\$300,000 is earmarked for exploration activities. Supplementing the company's current cash position was the receipt, on 6 March, of the first instalment of A\$1.2 million from the sale of the Mt Jewell gold project. The final consideration of A\$1.1 million is due on 6 March 2015. We consider the company is well resourced to complete all its current undertakings.



Going forward we believe the company is well positioned to continue to explore its prospective Acra project. Early exploration results have confirmed the potential of the project to host a major mineralised gold deposit; drilling will very shortly get underway to test this view.

With the above in mind, Pioneer Resources will continue to be firmly held in the Fat Prophets portfolio.

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Snapshot PIO

Pioneer Resources

Latest Closing Price: \$0.01

The company is typical of many quality, junior exploration companies that are doing it tough in the current market environment. The company boasts a strong portfolio of exploration projects and a high quality board to properly evaluate them, but the company has to watch its spending as the ability to replenish its cash reserves dries up. Nevertheless, with modest funding the company is able to keep its exploration programs ticking over, mainly with the help of major shareholder, Xstrata.

Market Capitalisation:\$5.5m

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