

Pioneer Resources

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Pioneer Resources' David Crook in Proactive Q&A Sessions™

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Pioneer has recently hit bonanza grade gold at its strategically located assets within the world-class Eastern Goldfields of Western Australia.

David Crook, managing director for Pioneer Resources, speaks exclusively in Proactive Q&A Sessions™.

[Pioneer Resources \(ASX:PIO\)](#) has recently been intersecting very high grade gold at its wholly-owned Acra Project, which is strategically located near Kalgoorlie in Western Australia.

While recent drilling has intersected a cluster of bonanza grades of up to 116g/t gold, the Prospect has also delivered broader intersections such as 15 metres at 2.93g/t gold from 94 metres.

The company is now gearing up for a three prong drilling program which will consist of aircore, reverse circulation and diamond core drilling, to expedite the commercial evaluation of the project.

We are joined exclusively by [Pioneer Resources'](#) managing director, David Crook, in Proactive Q&A Sessions™.

PROACTIVE INVESTORS: Welcome David.

First of all David, how have targets been identified at Acra for the upcoming drilling program, and what is the company looking to achieve?

David Crook: Gold and nickel targeting is all about geology, which means location, location, location. Kalgoorlie, in the Eastern Goldfields, is renowned for hosting world-class gold and nickel deposits, and our projects are in key locations.

This year we completed a 'weights of evidence' map to prioritise areas that are favourable for gold deposition.

The study covered 2000 square kilometres, and this highlighted a 20 kilometre long zone, now under tenements within our Acra Gold Project area, as a priority area for detailed work.

Specific targets have been developed using soil geochemistry, historical information and colloquial information from prospectors.

The drilling we have planned between now and Christmas includes: aircore drilling to follow up soil geochemical anomalies at two locations; diamond core drilling to expand upon the lode gold intersections of up to 116g/t gold that

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we recently announced at Kalpini South; and reverse circulation drilling, looking for shallow, broad zones of gold.

Our first objective is to drill deeper beneath the recent high grade lode gold intersected at Kalpini South, exploring for extensions, then onto infill holes looking to increase confidence in the presence of shallower mineralisation.

With this information we can make informed decisions such as: continue drilling to find the 'Company Maker'; enter into a third party mining agreement to establish a cash flow; or monetise individual deposits, as we did in 2012 with the Mt Jewell Gold deposit.

What will be the composition of the drilling types, total metres and depth?

David Crook: The program we have planned is an initial six diamond holes, amounting to 1,300 metres of pre-collared diamond core drill holes, nine reverse circulation drill holes for 1,500 metres, drilled predominantly at Kalpini South, and a further 80 aircore holes for 6,000 metres split between the new Kalpini Knight anomaly, located 100 metres south of Kalpini South, and other anomalies in the Jubilee-Acra area.

Importantly, we also have a soil geochemistry database for Acra which includes over 30,000 gold analyses, largely collected by previous nickel explorers, which is being used to guide the aircore drilling.

In addition over 100 reconnaissance drill holes have an intersection of at least 1g/t gold. These were generally drilled for nickel, and now provide a great head start when exploring the 8 kilometre long Acra to Jubilee Gold Zone, which is 15 kilometres south of Kalpini South.

Therefore, with the new program plus the existing data, we are confident this will have sufficient information to significantly advance Kalpini South towards a commercial decision, and elevate other Acra prospects towards their next logical decision point.

Can you outline the costs involved in the drilling, and how will this be funded?

David Crook: The program as outlined above will involve discretionary expenditure of \$450,000.

We are lucky that currently in Kalgoorlie the availability of rigs and operators means we are getting a slightly better bang for our buck, and can drill more metres for the same price compared to past years.

Pioneer has significantly de-risked Acra, and it is time to unlock the evident potential of the project.

Drilling is expensive, and while we did have over \$1.8 million in cash at the end of June 2015, we have been drilling since then at Kalpini south and now at the Fairwater Nickel Prospect.

Like all junior explorers, we are constantly watching our cash reserves and looking for opportunities to increase these.

Pioneer's shareholders have a strong history of supporting the company financially and a number realise that we are at a very interesting time in the company's history, which they show by on-market support.

We look forward to that support continuing, and that new investments, either on market or through new issues, will be highly leveraged to Pioneer's success.

With Pioneer also holding some prospective nickel assets, what are the next steps here?

David Crook: We have two nickel projects with very different risk profiles, which we are actively working.

The company has worked up the Fairwater Project in the Albany Fraser Orogen from first principles, and classifies it as higher risk because the mineralisation profile here is unknown.

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The project is located between 100 and 130 kilometres southwest of Independence Group's ([ASX:IGO](#)) Nova and Bollinger nickel discoveries.

We completed 99 aircore holes earlier this year which 'proved our concept' successfully and we have moved on to a 1000 metre diamond core program as the next step.

Success will be: intersections of nickel sulphides; or mineralisation vectors that confirm the ultramafic rocks present are capable of hosting nickel sulphide mineralisation if sulphides are not intersected.

This will provide confidence to commit to further, progressively deeper drilling programs from which down-hole EM surveys can be run.

The five-week diamond core program will follow up anomalies from the aircore drilling including 0.51% nickel at 33-34 metres and 0.61% nickel at 44-45 metres (with secondary nickel sulphide minerals identified), with results expected towards the end of November.

The second is the Blair Dome Nickel Project.

It is classed as having a much lower risk, because there are known nickel sulphide occurrences throughout the project, and it includes the closed Blair Nickel Mine which produced over 30,000 tonnes of nickel in ore.

This style of mineralisation – Kambalda style Komatiite hosted – tends to form in a cluster of deposits.

Blair is a single deposit, so the exploration focus is to find others of the cluster presumed to exist.

Geological modelling is continuing, with drilling planned to be underway early in 2016.

Finally, what are the key reasons an investor should consider adding [Pioneer Resources](#) to their share portfolio?

David Crook: Pioneer has strategically located assets in one of Australia's best mining provinces – the Eastern Goldfields, - which could equally be called the Eastern Nickelfields, of Western Australia.

The projects have all advanced during the past three years, and now all have drill ready targets.

The projects are near mining centres and treatment options are often very nearby, so it is unlikely our assets will be stranded, and likely that establishment costs will be lower than other jurisdictions.

With targets now confirmed and follow-up exploration programs coming up for both gold and nickel, news flow will likely be strong for the remainder of 2015.

With a market cap of circa \$12 million, we are lightly capitalised and therefore leveraged to exploration success.

With the flexibility provided by our location we are not restricted to a single outcome.

Following a discovery the company can consider production joint ventures, asset sales or the development of a stand-alone operation at the project level.

A competitor may even find the company attractive in total.

When the time arrives, the company will focus on whichever strategy generates the best outcome for shareholders.

PROACTIVE INVESTORS: Thank-you David.

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