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ASX/MEDIA ANNOUNCEMENT

RC DRILLING AT THE LIGNUM DAM GOLD PROJECT COMMENCES

Pioneer Resources Limited (ASX: PIO) today provided the market with a summary of its recent activities.

Pioneer's Managing Director, Mr David Crook, said that the Company was at a crucial point in the development of the Lignum Dam Gold Project, with the commencement of the first round of reverse circulation drilling.

"Pioneer has located significant gold anomalism using RAB drilling, including 12m at 6.65g/t, at our 100% owned gold discovery at Lignum Dam. We are very excited that RC drilling is now under way, and we hope to be releasing results towards the end of this month," he said.

1. Exploration Update – Drilling Commences at the Lignum Dam Gold Project

As a precursor, earlier this month Pioneer completed a Sub Audio Magnetic ("SAM") survey which covered the Tregurtha and Hughes Prospects. SAM surveys are used to detect shear zones and, when combined with gold geochemistry from RAB drilling, provided valuable information used to orientate the drilling rig.

The current drilling program will see up to 26 reverse circulation holes completed for 2,500m. Drilling will target fresh mineralisation beneath some of the RAB drilling anomalies previously announced at the Hughes and Tregurtha Prospects. Anomalous RAB results included:

- **SSB0400** 4m at 3.13g/t from 16m
- **SSB0412** 4m at 3.63g/t from 44m and
SSB0412 8m at 4.19g/t from 60m
- **SSB0413** 8m at 2.43g/t from 44m
- **SSB0605** 5m at 2.14g/t from 41*m (end of hole)
- **SSB0615** 3m at 2.82g/t from 37*m (end of hole)
- **SSB0687** 12m at 6.65g/t from 48m.

2. Additional Capital Raisings Secure Pioneer's financial Position

In its Quarterly 5B report until 30 June 2009, the Company reported a cash position of \$1.325 million.

Subsequently, on 28 July 2009, the Company announced the completion of a placement of 46,200,000 shares at 2.5 cents per share, raising \$1.155 million before costs. The Company now has 219,908,479 FPO shares on issue.

3. **Mt Thirsty South Project – Nickel Reported on a Neighbouring Tenement**

Pioneer is monitoring ASX announcements by Barra Resources Limited and Fission Energy Limited regarding their Mt Thirsty Joint Venture (“MTJV”) Project. The MTJV Project is immediately north along geological strike of Pioneer’s tenement.

The MTJV recently announced that a drill hole, to test an EM conductor in ultramafic rock, intersected nickel sulphide mineralisation. This is the first report of nickel sulphide mineralisation in the Mt Thirsty Ultramafic Complex and therefore is potentially very significant.

About the Lignum Dam Gold Project

The Lignum Dam Project is a greenfields gold discovery located 55km km north of Kalgoorlie. To date, RAB drilling has identified anomalies at the Tregurtha and Hughes Prospects.

Gold mineralisation at the Lignum Dam Project is located entirely within sheared and altered granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite, located 15km to the south-southwest. The Federal and Golden Cities Deposits, owned by Norton Gold Fields Limited, had a pre-mining resource exceeding 1,000,000 oz Au and are currently being mined as an ore feed for the Paddington Gold Treatment Mill.

About Pioneer Resources Limited

Pioneer Resources Limited (ASX: PIO) is a specialist exploration company searching for gold and base metals in the Kalgoorlie and Ravensthorpe Districts of Western Australia. The Company strives to add shareholder value by balancing work on advanced projects with active project generation from within the Company’s 100%-owned and joint venture tenement portfolio.

Pioneer has drill-ready targets at its 100% Lignum Dam Gold Project, as well as at the 75% held Mt Chester (manganese) and 55% held Golden Ridge JV (nickel) Projects. The Company, in conjunction with its partner Xstrata Nickel Australasia also has an active field program at the Acra Joint Venture Project (Pioneer 40% diluting to 20%).

A summary of the Company’s activities is presented in a fact sheet and other reports available from the Company’s web site at www.pioneernickel.com.au

- ENDS -

Yours sincerely



Managing Director

For more information please contact:

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Glossary

“RAB” means Rotary Air Blast, an inexpensive method of exploration drilling which generates geochemical samples.

“RC” means Reverse Circulation, a method of drilling whereby the sample is returned to the surface via a central tube running up the length of the drill pipe. Samples are much less prone to contamination, therefore may be used for ore reserve calculations.

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a member of the Australasian Institute of Mining and Metallurgy and is a competent person with over 20 years experience in the minerals industry, including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.