

10 December 2009

**ASX/MEDIA ANNOUNCEMENT**

# Pioneer increases landholding in key WA goldfields project by 50%

Bonanza 252g/t intersection recorded at Tregurtha  
More results imminent

## Golden Cities North Project Acquired

Pioneer Resources Limited (ASX: PIO) is pleased to announce that it has increased the size of its flagship Lignum Dam Gold Project, 50km north of Kalgoorlie, by more than 50 per cent after acquiring over 250km<sup>2</sup> of highly prospective tenements at Golden Cities North, that span from the Lignum Dam Project to the 5 million ounce Paddington Gold Operation.

Pioneer has identified a RAB gold anomaly that extends from the Golden Cities and Federal Mines, which are located within 2km to the south of the newly acquired ground. This anomaly extends at least 6km into the newly acquired tenement package (see Map 1). Limited follow-up RC drilling intersected significant mineralisation including:

- 6m at 1.78g/t from 51m
- 10m at 1.03g/t from 93m and
- 3m at 3.26 from 50m\*

Pioneer Managing Director David Crook said the new gold targets form an important addition to the emerging Lignum Dam Gold Project.

“Mineralisation styles are similar between project areas, and analogous to the nearby Golden Cities and Federal Mines, however drilling density for Golden Cities North is sparse compared to Lignum Dam,” he said.

Pioneer is currently drilling at Lignum Dam, and has planned an extensive, close-spaced RAB drilling program at Golden Cities North for June next year to better identify RC drilling targets for testing later in 2010.

\*Data has been condensed from a database for the project stored on open file item 13289.

### About the Newly Acquired Golden Cities North Project

The tenements were acquired from fellow WA explorer Heron Resources Limited (ASX: HRR), but were earlier held by the gold explorers AMX Resources and Centaur Mining and Exploration during the 1990s. During this time these explorers discovered the lucrative Golden Cities and Federal mines. These mines are all less than 2km to the south of the newly acquired ground and are currently in production, supplying the nearby Paddington Gold Mill, owned by Norton Gold Fields Limited.

### About the Lignum Dam Gold Project

Pioneer advised on 19 November 2009 that several diamond drill holes required further core to be cut for assay. This has now been completed and Pioneer is pleased to advise that the results from LDDD029 (previously reported as unmineralized) included **4m at 65.34g/t from 53m**, including **1m at 252.36g/t**, from the leading Tregurtha Prospect.

Drilling has already produced a string of highly promising intersections from Tregurtha. Results have included **10m at 5.72g/t, 18m at 5.85g/t, 6.8m at 8.06g/t, 10m at 6.91g/t** and others.

Mineralisation has been identified over a 200m strike length and remains open to the north and south as well as being open beyond 150m deep.

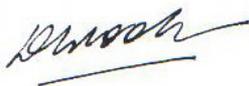
Pioneer has almost completed its second round of RC drilling at Tregurtha, which has tested for extensions to the known mineralisation over an additional 160m in each direction. Results for this campaign are expected to be received and released to the market early in the New Year.

Results are also expected in the new year from drilling at the Hughes Prospect, which lies 1km SE of Tregurtha. Results from previous drilling at Hughes have included 10m at 2.30g/t and 13m at 2.09g/t.

Mr Crook said that Lignum Dam was emerging as a highly promising gold project with a cluster of least three key prospects identified to date within a total strike length of 3km.

“The imminent results from the latest round of drilling will go a long way to establishing the extent of the mineralisation at Tregurtha and therefore provide a valuable indication of the overall potential of the Lignum Dam Project,” he said.

Yours faithfully



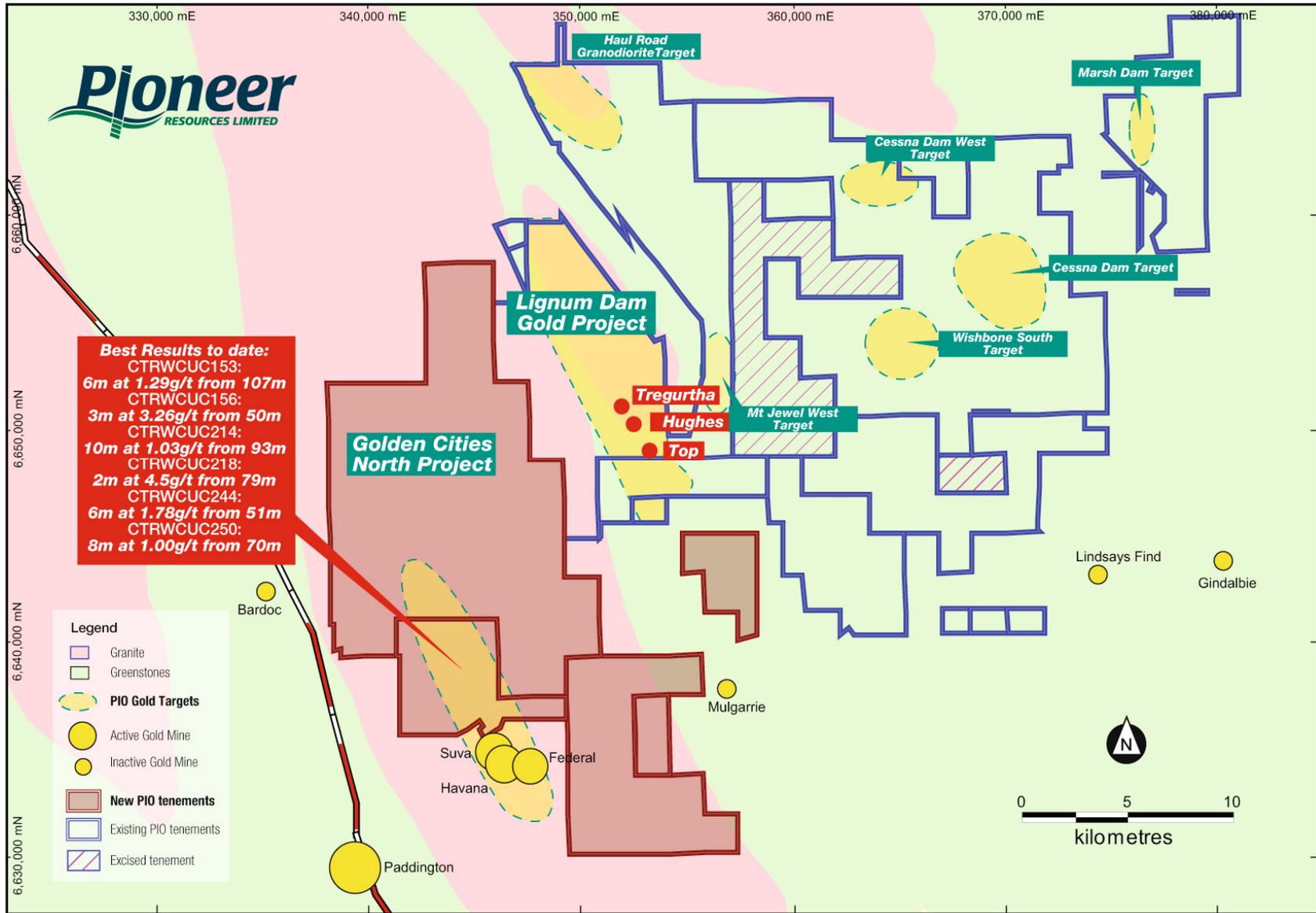
### Managing Director

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Resources Limited, a member of The Australasian Institute of Mining and Metallurgy (member 105893) and is a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this report.

Table 1									
Diamond Core Additional Samples From Lignum Dam Gold Project: Significant Results									
Hole ID	North (m)	East (m)	Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (g/t)
<b>Tregurtha</b>									
LDDD028	6651257	352016	137.99	-60	0	108	110	2.0	3.28
LDDD029	6651298	352017	114.4	-60	0	53	57	4.0	65.34
		including				53	54	1.0	6.06
		including				<b>56</b>	<b>57</b>	<b>1.0</b>	<b>252.36</b>

#### Notes

- Drill hole collar positions determined by hand held GPS receiver MGDA94-51 datum.
- Analytical results by Genalysis Laboratories Pty Ltd: 50g Fire Assay, 0.01.0g/t lower detection limit.
- Intercepts are “down-hole” metres. No estimate regarding true thickness is made or implied.



Map 1: Pioneer's tenement position following the acquisition of the Golden Cities North Project.