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ASX/MEDIA ANNOUNCEMENT

# Latest Gold Results Expand Lignum Dam Discovery

Highlights of the recent reverse circulation ("RC") drilling program include:

Tregurtha:

- LDRC036: 5m at 2.41g/t Au from 44m
- LDRC039: 8m at 2.24g/t Au from 36m
- LDRC040: 8m at 1.75g/t Au from 40m

Mineralisation has now been intersected over a strike length of approximately 450m.

Hughes:

- LDRC058: 20m at 2.21 g/t Au from 32m
- LDRC059: 24m at 2.13 g/t Au from 61m and  
22m at 2.77g/t Au from 88m
  - Including 5m at 5.29 g/t Au from 89m and 9m at 2.94g/t Au from 95m

Initial prospect strike length is 300m and open in all directions.

12 of 33 holes drilled intersected mineralisation. Many of the results presented here are preliminary assays of composited samples. The Company has released these results due to the significant nature of several, with the caveat that these may change when final results are received.

The Company has received statutory approval for the next phase of RC drilling, which will commence when final assays have been processed, during February 2010. Drilling will focus on delineating mineralisation at the Hughes Prospect, with results anticipated in March 2010.

Target generation RAB drilling is also scheduled for the newly acquired Golden Cities North Project, located approximately 15km west of Lignum Dam.



**Pioneer Resources Limited (ASX Code: PIO)** is pleased to announce the results from a drilling program recently completed at the Company's flagship, 100% held, Lignum Dam Gold Project, located 50km north of Kalgoorlie, WA.

These results continue to confirm the emergence of a sizeable gold discovery, with recent drilling results extending the strike length of the **Tregurtha Prospect** to approximately 450m. In addition for the **Hughes Prospect**, wide-spaced orientation drilling has expanded the strike length of identified mineralisation to 300m.

Mineralisation at both prospects remains open along respective strike lengths, and at depth. Scope therefore exists for further expansions, which will be tested in future drilling programs.

The December 2009 drilling program saw thirty-three RC drill holes completed for 3,560 metres. Twenty-three holes were drilled into the Tregurtha Prospect, and ten into the Hughes Prospect. A drill hole summary, which includes all significant results from this round of drilling is provided in Table 1.

***Step-out Drilling Successfully Extends the Tregurtha Prospect.***

Drilling to the south of previously reported mineralisation has extended the strike of the prospect by approximately 130m, with hole **LDRC036 returning 5m at 2.41g/t Au from 44m.**

Drilling to the north also extended the mineralisation by a further 100m, with holes **LDRC043 returning 16m at 1.27g/t Au from 40m and LDRC046 intersecting 1m at 10.30g/t Au from 85m.** The mineralisation at Tregurtha remains open to the north with strong alteration and shearing evident in hole LDRC046.

Further potential to increase the size of the prospect is evident through the identification of a parallel zone of mineralisation, located 100m to the west of Tregurtha, including **4m at 1.33g/t from 72m LDRC052.** More drilling will be conducted to test the extent of this western gold zone.

***Orientation Drilling at Hughes Confirms Broad Zones and Improved Grades***

Drill results from the Hughes Prospect located approximately 1km south-east of Tregurtha returned significant results including:

- **20m at 2.21g/t Au from 32m in LDRC058, and**
- **24m at 2.13g/t Au from 61m, and 22m at 2.77g/t Au from 88m (including 5m at 5.29g/t Au and 9m at 2.94g/t Au) from LDRC059.**

Significant mineralisation has been identified over 300m of strike length based on drill sections 100m apart, and remains open along strike and to the east.

Pioneer's Managing Director David Crook said the results are very pleasing and provide further confidence that Lignum Dam is emerging as a substantial gold project.

"The mineralisation at Tregurtha has now been outlined over a 450m strike length and still remains open to the north and at depth below 150m,"

"At Hughes we have mineralisation over a strike length of 300m, and it remains open. Encouragingly the results from LDRC059 show the potential for the broad zones of higher grade mineralisation as we see at Tregurtha. We have every reason to be optimistic about the future of Lignum Dam."

Mr Crook said that Pioneer's geologists will finalise the detailed interpretation of the current results, and intend to recommence RC and diamond drilling on both prospects by early February. The next results are expected to be available to the market during March 2010.

Yours faithfully



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**About the Lignum Dam Gold Project**

The Lignum Dam Gold Project is a gold discovery located 55km km north of Kalgoorlie. Pioneer holds tenure to approximately 733 square kilometres of under-explored tenements in the area covering a number of geological and structural terranes favourable for gold mineralisation including the recently acquired Golden Cities North Project. To date the majority of the exploration effort has been directed toward the Tregurtha and Hughes Prospects, however the Company has identified 15 targets within the portfolio. The Company believes the area has the potential to host significant gold mineralisation and intends to pursue an aggressive exploration program for gold within the project over 2010.

At the Tregurtha and Hughes Prospects gold mineralisation is located entirely within areas of 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 Mineral Resource exceeding 1,000,000 oz Au and are currently being mined as 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.

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.PIOresources.com.au](http://www.PIOresources.com.au).

Table 1 Lignum Dam Gold Project – Significant Reverse Circulation Drill Results from December 2009 Program									
Hole ID	Northing (m)	Easting (m)	RL (m)	Depth (m)	From (m)	To (m)	Interval (m)	Grade Au (g/t)	Note
<b>Tregurtha Prospect</b>									
LDRC033	6651160.6	352141.4	421.7	100	46	48	2	2.02	1
<b>LDRC036</b>	<b>6651199.2</b>	<b>352126.0</b>	<b>421.8</b>	<b>100</b>	<b>43</b>	<b>57</b>	<b>14</b>	<b>1.36</b>	1
				<b>Including</b>	<b>44</b>	<b>49</b>	<b>5</b>	<b>2.41</b>	2
LDRC038	6651297.0	351945.6	423.4	150	86	89	3	1.55	1
					<b>120</b>	<b>142</b>	<b>22</b>	<b>1.18</b>	1
LDRC039	6651300.4	352039.9	422.8	80	36	44	8	2.24	2
					66	69	3	1.23	1
<b>LDRC040</b>	<b>6651336.6</b>	<b>351995.2</b>	<b>423.1</b>	<b>130</b>	<b>36</b>	<b>48</b>	<b>12</b>	<b>1.43</b>	1
				<b>Including</b>	<b>40</b>	<b>48</b>	<b>8</b>	<b>1.75</b>	2
LDRC043	6651400.9	351833.3	423.9	100	20	24	4	1.02	1
					<b>40</b>	<b>56</b>	<b>16</b>	<b>1.27</b>	1
					60	62	2	1.24	1
LDRC046	6651440.0	351821.2	424.4	120	44	45	1	1.58	1
					53	54	1	1.08	1
					69	71	2	1.20	1
					85	86	1	10.30	2
LDRC052	6651297.2	351724.1	425.2	100	72	76	4	1.33	1
<b>Hughes Prospect</b>									
LDRC057	6650499.1	352599.6	415.1	100	32	56	24	1.09	1
					77	78	1	1.04	1
<b>LDRC058</b>	<b>6650501.3</b>	<b>352638.5</b>	<b>414.6</b>	<b>100</b>	<b>32</b>	<b>52</b>	<b>20</b>	<b>2.21</b>	1
					56	59	3	1.14	1
					82	90	8	1.15	1
<b>LDRC059</b>	<b>6650500.6</b>	<b>352679.7</b>	<b>413.4</b>	<b>110</b>	<b>61</b>	<b>85</b>	<b>24</b>	<b>2.13</b>	1
				Including	67	80	13	2.51	2
					<b>88</b>	<b>110</b>	<b>22</b>	<b>2.77</b>	1
				<b>Including</b>	<b>89</b>	<b>94</b>	<b>5</b>	<b>5.29</b>	2
				<b>Including</b>	<b>95</b>	<b>104</b>	<b>9</b>	<b>2.94</b>	2
LDRC061	6650400.6	352589.9	414.1	100	36	40	4	2.71	1

**Notes**

- Drill hole collar positions determined by licensed surveyor GDA94-51 datum.
- All holes drilled towards east (90°) and inclined -60°
- Analytical results by Genalysis Laboratories Pty Ltd: 50g Fire Assay, 0.01g/t lower detection limit.
- Intersection grade reported here is based on single metre or composites of 2, 3 or 4 samples, based on geological or regolith similarities, at the geologist's discretion. Length weighted average grade reported. Single metre sample assays will follow.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.
- <sup>1</sup> reported drill hole intercept based on a minimum of 2m grading above 0.5g/t, 1m internal dilution
- <sup>2</sup> reported drill hole intercept based on a minimum of 1m grading above 1.0g/t, no dilution

The information within this report as it relates to geology and mineralisation was compiled by Mr James Guy 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.