

10 November 2015

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## ***Fairwater Nickel Sulphide Target***

### ***Diamond Core Drilling Intersects Mafic-Ultramafic System***

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Pioneer Resources Limited ("Company" or "Pioneer") (ASX: PIO) advises that the first phase of the diamond core drilling program at the Fairwater Nickel Project, located within the Albany Fraser Orogen in South Western Australia, has finished.

The Company has concluded that a mafic-ultramafic conduit sill-dyke system has been intersected, an interpretation based on geological observations and qualitative analyses by pXRF of drill core samples.

Pioneer is now planning a gravity survey to cover the mafic-ultramafic system. This type of survey is used to locate zones of greatest rock density, which might represent the feeder zone (or chonolith) of the intrusive mafic-ultramafic system, and is where nickel sulphide trap sites are likely to occur (Refer to Figures 1 and 2).

When completed, selected gravity targets will be tested by reverse circulation drilling initially, with follow-up diamond core drilling, to directly test for a mineralised chonolith.

Key observations from the diamond core drilling program.

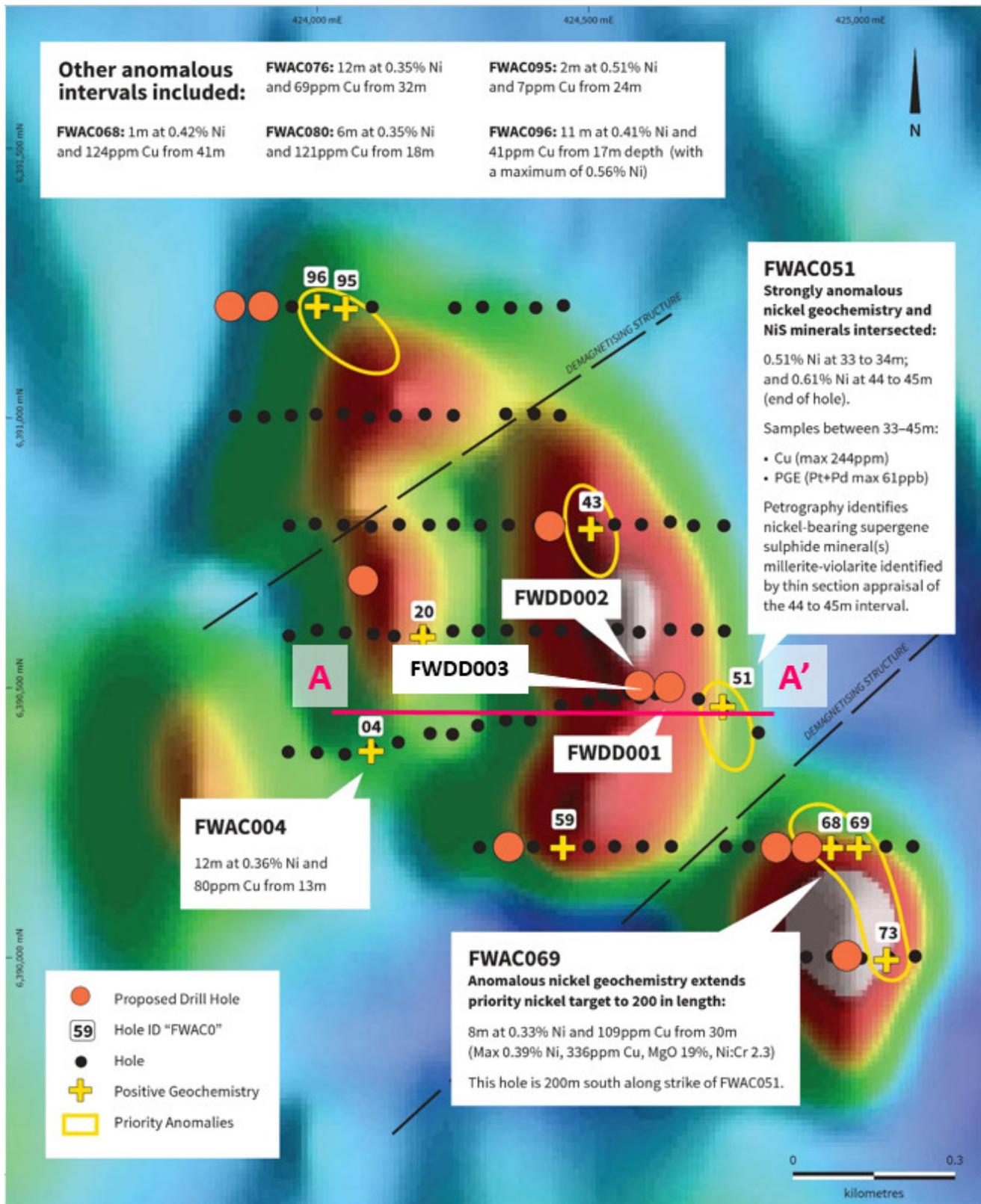
- To date, three holes totalling 370m have been drilled. Each hole intersected mafic-ultramafic rocks;
- The mafic-ultramafic rocks intrude into quartz-biotite gneiss 'country rock';
- The mafic-ultramafic rocks intersected are interpreted as being part of a conduit sill-dyke system, thickening towards the centre of the FWNi003 aeromagnetic anomaly;
- The mafic-ultramafic system includes high MgO serpentinites (after peridotite), a key component of a mineralised sill-dyke system;
- Sulphur and nickel content, by pXRF analysis, is observed to increase in ultramafic rocks towards the centre of the targeted aeromagnetic anomaly, and also with depth as the mafic-ultramafic unit apparently thickens. Traces of blebby iron sulphides require petrology to determine whether they are magmatic or metamorphic.

Intervals of cored ultramafic rock are being cut and assayed by a commercial laboratory, providing nickel and other trace element geochemistry as well as samples for petrography. Specific gravity determinations will be used to calibrate gravity survey data.

#### ***Timetable***

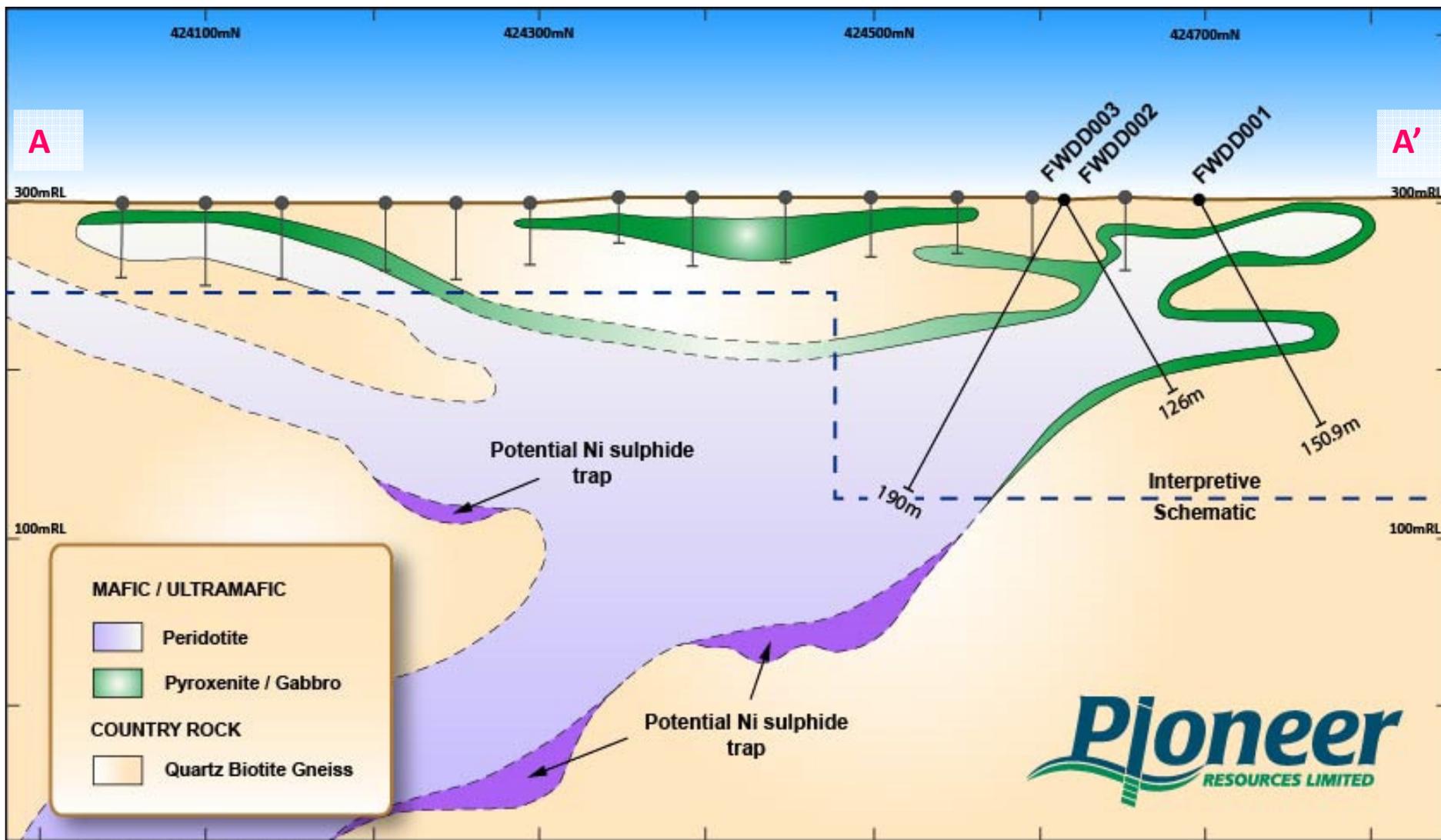
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- Core marking, cutting and sampling is in progress. Final laboratory assays are expected towards the end of November 2015.
- The planned gravity survey will cover much of the area shown in Figure 1. Timing will be determined by the availability of a satisfactory contractor, but is expected to be before the end of the year.
- Drilling is expected to resume during the first quarter of 2016.



**Figure 1:** Fairwater Nickel Project: FWNi003 Prospect summary plan showing completed aircore drill hole locations (black dots) and the locations of the completed diamond core holes from this program. The underlying image is of aeromagnetic data which indicates the location of more-magnetic ultramafic rocks as warmer colours.

A-A' shows the extent of the interpretive and schematic cross section in Figure 2.



**Figure 2:** Interpretive and schematic illustration through FWNi003 at approximately 6,390,500mN and components of a mafic-ultramafic conduit sill-dyke nickel sulphide style setting.

### Background to the FAIRWATER Nickel Project

The Fairwater Project’s nickel targets are located in interpreted Proterozoic-aged rocks between 100 and 130km south west of Independence Group NL (ASX: IGO) Nova and Bollinger nickel deposits, in the Albany-Fraser Orogen in south east Western Australia (see Figure 3).

Proof of concept aircore drilling, and now diamond core drilling has successfully confirmed the presence of ultramafic and mafic rocks, which are interpreted as a mafic-ultramafic conduit sill-dyke system. Ultramafic rock is identified by chemical composition, mineralogy and colour - principally its iron, magnesium, chromium and nickel content, and is a common host rock for nickel deposits world-wide.

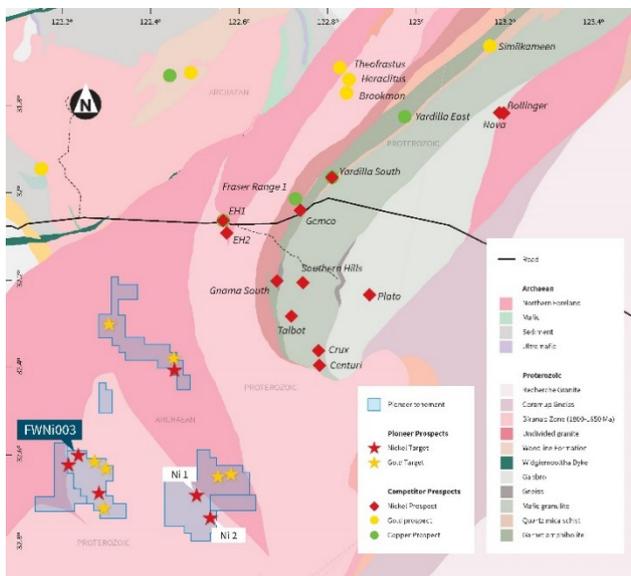
The Fairwater Nickel Project is one of the Company’s three key exploration assets. The other two are the Acra Gold Project near Kalgoorlie; and the Blair Nickel Mine near Kambalda. All are within Western Australia.

### FAIRWATER Nickel Project awarded EIS Funding

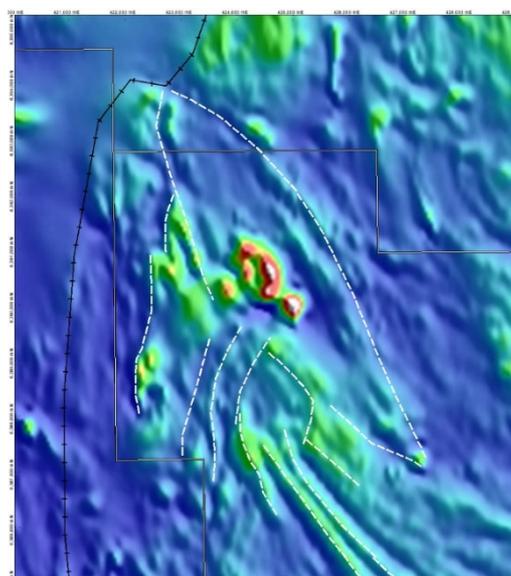
This diamond core drilling program is joint-funded under the **Royalties for Regions Co-funded Government-Industry Drilling Program**, for 2015-2016, referred to as the Exploration Incentive Scheme (“EIS”).

Pioneer was advised by the Department of Mines and Petroleum that it is eligible for up to \$129,500 in EIS co-funding to complete follow-up drilling at the Fairwater FWNi003 Prospect.

Under the EIS, funds committed by Pioneer towards the approved drill program will be matched by funds from the State Government’s program - halving the drilling component cost to Pioneer.



**Figure 3:** Pioneer’s Fairwater Project tenements showing the location of the FWNi003 Prospect, and other nickel prospects.



**Figure 4.** Aeromagnetic Imagery of the FWNi003 Prospect.

## Glossary:

“Aircore” is a blade drilling technique which returns relatively uncontaminated samples through a central annulus inside the drill pipes. It is used to test the regolith (near surface unconsolidated and weathered rock) as an alternative to RAB drilling when conditions are wet, sandy or holes need to go deeper than by RAB.

“Diamond Core Drilling” is a technique whereby rock is cut by a rotating diamond-set tubular bit to produce a cylinder of the rock.

“EM” means electromagnetic, a geophysical survey technique used to locate conductive rocks which may include nickel sulphide mineralisation. There are a number of configurations of transmitters, receivers and processing available depending on the application including Ground EM: commonly ‘moving loop’ or ‘fixed loop’; DHEM using a ‘down hole’ receiver coil; and ‘versatile time domain’ – VTEM which is an airborne system. SAMSON is a type of receiver with a very low signal to noise ratio.

“Fertility” means the attributes of a rock that contribute to the formation of a specific metal deposit. This may include the chemical composition and crystal structure of the rock-forming minerals, the sulphidation and/or oxidation state, the temperature of emplacement and degree of contamination by other rocks during emplacement.

“ppm” means 1 part per million by weight.

“Mafic” and “Ultramafic” are a class of igneous rocks high in magnesium “ma” and iron “fic”, which are thought to be derived from magma from near the earth’s mantle.

“RC” means reverse circulation, a drilling technique that is used to return uncontaminated pulverised rock samples through a central tube inside the drill pipes. RC samples can be used in industry-standard Mineral Resource estimates.

“Regolith” means the layer of loose, heterogeneous material covering solid rock. It includes dust, soil, broken rock, and other related materials. In Western Australia it most commonly refers to the almost ubiquitous layer of weathered and decomposed rock overlying fresh rock.

Elements: “Au” means gold, “Cu” copper, “Ni” nickel, “Ag” silver, “Pb” lead, “Zn” zinc, “Pt” platinum, “Pd” palladium, “PGE” platinum group element. Herein it means Pt+Pd

“N”, “S”, “E”, or “W” refer to the compass orientations north, south, east or west respectively.

“pXRF” means portable x-ray fluorescence. Pioneer owns an Olympus portable XRF analyser which is an analytical tool providing semi-quantitative analyses for a range of elements ‘in the field’.

## **Competent Person**

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook. Mr Crook is a full time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893) and the Australian Institute of Geoscientists (member 6034). Mr Crook has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Additional information in respect of geochemical data and interpretations is by Dr Nigel Brand. Mr Crook and Dr Brand, consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## **Caution Regarding Forward Looking Information**

This document may contain forward looking statements concerning the projects owned by the Company. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

- Note 1. (Fairwater) Refer to Company announcements to ASX dated:
  - 21 July 2014, 13 April 2015, 5 June 2015, 6 July 2015, 17 September 2015, 8<sup>th</sup> October 2015
  - Quarterly Activities Report for the September 2014 quarter dated 31 October 2014,  
Quarterly Activities Report for the March 2015 quarter dated 30 April 2015.  
Quarterly Activities Report for the June 2015 quarter dated 31 July 2015.  
Quarterly Activities Report for the September 2015 quarter dated 30 October 2015

The Company it is not aware of any new information or data that materially affects the information included in this announcement.