

## Pioneer Resources Ltd Participates in the Exploration Development Incentive

**26 May 2016: Pioneer Resources Ltd (“Pioneer” or “Company” ASX Code: PIO)** is pleased to advise that it will be participating in the Federal Government’s Exploration Development Incentive (**EDI**) Scheme for the 2014-2015 tax year. The EDI legislation was passed by Parliament on 3 March 2015 and is effective from 1 July 2014 to run for three years based on an annual application. The process is administered by the Australian Taxation Office (**ATO**).

In broad terms, the EDI enables eligible exploration companies to create exploration credits (**EDI Credits**) by giving up a portion of their tax losses and distributing these EDI Credits to shareholders. Australian tax resident shareholders that are issued with an EDI Credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). Non-resident shareholders will receive the exploration credits but cannot use them. The Company’s carry forward tax losses will be reduced proportionately to reflect the amount of EDI Credits created.

Pioneer’s maximum EDI Credit amount is \$372,371 which it has chosen to issue in full to eligible shareholders on a pro rata basis. With 900,481,591 ordinary shares currently on issue, this equates to 0.04135 cents per share. However any shares issued upon exercise of options prior to the Record Date will also be eligible for the EDI Credits and this will impact the EDI Credit distribution amount per share.

Shareholder entitlements to the 2014-2015 EDI Credits will be determined as at 5pm (WST) on Tuesday 31 May 2016 (**Record Date**) and will be relative to the number of shares held on the Record Date as a proportion of the total shares on issue on the Record Date. Eligible shareholders will be issued with the EDI credits in the approved form on 30 June 2016. The 2014-2015 EDI Credits can be claimed in the 2015-2016 tax year.

Further information on the EDI scheme is available from the following websites:

<http://www.ato.gov.au/business/exploration-development-incentive/>

<http://www.amec.org.au/policies/corporate-regulation-and-taxation/exploration-development-incentive>



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