

NORTHERN STAR ENTERS JOINT VENTURE FOR THE ACRA GOLD PROJECT ACQUIRES 20% INTEREST PLUS 55% FARM-IN RIGHTS

Perth Western Australia, 21 October 2016: Pioneer Resources Limited ("Company" or "Pioneer", ASX: PIO) is pleased to announce its entry into a significant transaction with Northern Star Resources Limited ("Northern Star", ASX: NST) which will fast track exploration at the Company's 100%-held Acra Gold Project ("Project").

UNDER THE TERMS OF THE BINDING AGREEMENT, Northern Star will pay to Pioneer \$500,000 cash to acquire an initial 20% interest in the Project plus the right to earn a further 55% interest (total 75% interest) in the Project by sole funding \$3 million of exploration expenditure within 3 years. Following the formation of a Joint Venture ("JV") Pioneer will continue to be free carried up until the JV secures a DMP approval for a future Mining Proposal.

When a Mining Proposal is approved, Pioneer may either contribute pro-rata to future JV expenditure or sell its 25% JV interest at fair market value to Northern Star for cash or NST shares at Pioneer's election.

THE AGREEMENT also means:

- **that forthcoming exploration programmes will be well funded and expedited by one of Western Australia's most successful gold project developers and miners;**
- **that a clear strategy exists for a future mining operation, with an established ore treatment route, subject to negotiation of an ore treatment agreement, as the Acra Gold Project is located 40km east of the Kanowna Belle Gold Mill currently operated by Northern Star; and**
- **that Pioneer will retain a 25% free-carried interest in the Project until a Mining Proposal is approved and have the option to thereafter participate on a pro-rata basis or reduce its interest.**

Presuming the Joint Venture forms, Northern Star will continue to sole fund all Joint Venture expenditure prior to receiving an approval for any Mining Proposal submitted. Pioneer will not contribute to Joint Venture expenditure before any Mining Approval is approved by the Department of Mines and Petroleum ("DMP"), and through its 25% Joint Venture interest Pioneer will continue to own 25% of all delineated reserve ounces. It is noteworthy that Northern Star had exploration costs averaging A\$50 per reserve ounce discovered in 2016¹.

Pioneer's Managing Director, David Crook, said that attracting Northern Star to the Project with a commitment to actively explore endorsed the quality of the Acra Gold Project.

“Northern Star has a very good discovery record in the Kalgoorlie District, and will bring its organisational technical expertise and financial capacity to rapidly advance the Acra Gold Project without further financial impost to Pioneer until a Mining Proposal is approved” he said,

Northern Star must expend a minimum of \$1.5 million of exploration expenditure before it may elect to withdraw from the Project.

The transaction also frees up cash for the Company to pursue other opportunities, including its 100%-held Katanning Gold Project.

ABOUT THE ACRA GOLD PROJECT

The Acra Project has a 20km long, north-west trending, structural corridor, which is evident in aeromagnetic data with elements observable in field mapping, and which is considered prospective for gold. Physical gold has been recovered from small gold workings that date from the 1890s until WW2, and more recently from nugget patches that are still being located and worked. Most exploration undertaken from the early 1970s to the present, however, has focussed on identifying nickel mineralisation. A selection of Pioneer’s drilling intersections are listed in Table 1 below.

Hole ID	Type	East (m)	North (m)	Depth (m)	Intersection	Prospect
ACRB145	AC	411,255.64	6,621,855.89	89	12m at 1.39g/t from 45m	Acra
ACRB146	AC	411,235.14	6,621,818.22	59	9m at 1.71g/t from 45m	Acra
CSAC018	AC	402,898.00	6,625,806.00	65	6m at 4.39g/t from 57m	Carmelia
CSAC028	AC	402,944.00	6,625,970.00	102	6m at 3.77g/t from 96m	Carmelia
CSRC003	RC	402,924.00	6,625,847.00	57	3m at 4.34g/t from 45m	Carmelia
CSRC012	RC	402,921.00	6,625,951.00	74	4m at 2.48g/t from 60m	Carmelia
EGRC009	RC	406,651.28	6,624,314.72	70	2m at 4.57g/t from 21m	Evelyn G
EGRC010	RC	406,666.90	6,624,333.48	70	3m at 4.53g/t from 42m	Evelyn G
JERC002	RC	411,276.04	6,621,876.47	132	13m at 2.84g/t from 27m	Jubilee E
JERC003	RC	411,250.65	6,621,843.39	132	2m at 12.42g/t from 57m	Jubilee E
JERC007	RC	411,249.14	6,621,800.93	120	4m at 8.1g/t from 34m	Jubilee E
JERC010	RC	411,257.84	6,621,889.46	120	7m at 2.6g/t from 101m	Jubilee E
JERC038	RC	411,175.04	6,621,898.73	74	2m at 9.03g/t from 43m	Jubilee E
JERC038	RC	411,175.04	6,621,898.73	74	8m at 2.14g/t from 52m	Jubilee E
JERC048	RC	411,119.92	6,622,006.13	84	8m at 1.99g/t from 69m	Jubilee E
KSRC004	RC	399,222.92	6,635,005.22	120	10m at 6.38g/t from 61m	Kalpini S
KSRC004	RC	399,222.92	6,635,005.22	120	8m at 1.45g/t from 85m	Kalpini S
KSRC005	RC	399,243.93	6,634,999.75	120	9m at 5.31g/t from 36m	Kalpini S
KSRC007	RC	399,206.19	6,634,987.44	150	13m at 3.31g/t from 94m	Kalpini S
KSRC010	RC	399,143.07	6,635,021.90	150	3m at 5.44g/t from 128m	Kalpini S
KSRC010	RC	399,143.07	6,635,021.90	150	8m at 1.41g/t from 85m	Kalpini S
KSRC018	RC	399,256.80	6,635,046.18	138	18m at 1.98g/t from 97m	Kalpini S
KSRC031	RC	399,267.88	6,635,018.63	97	9m at 6.17g/t from 60m	Kalpini S
KSRC032	RC	399,280.99	6,635,036.33	127	7m at 1.93g/t from 106m	Kalpini S
KSRC025	RCD	399,271.34	6,635,067.74	174	2.2m at 12.17g/t from 145.42m	Kalpini S

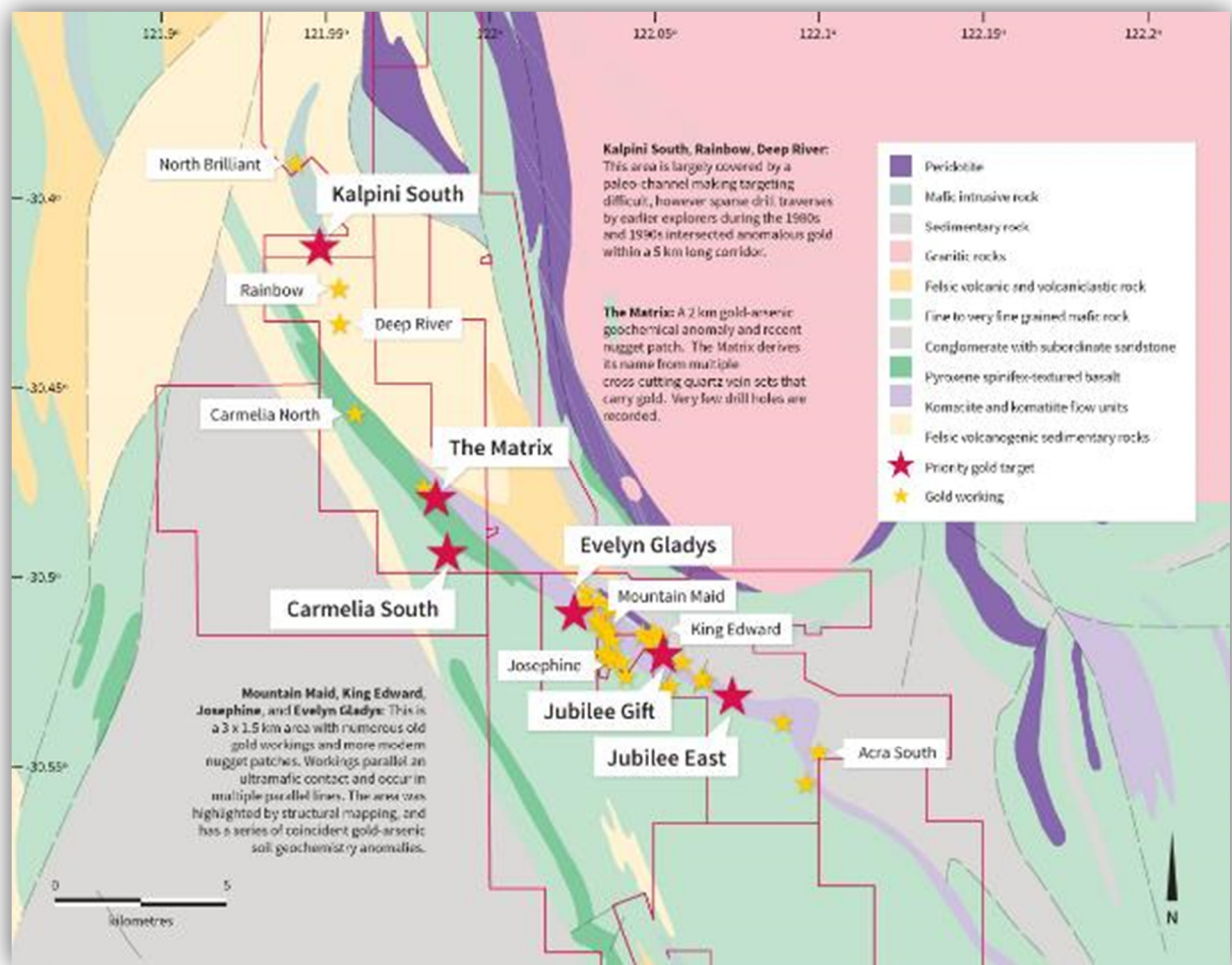


FIGURE 1: The Acra Project showing the location of Gold Prospects.

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GLOSSARY

Elements: "Au" means gold, "Be" beryllium, "Cs" caesium, "Cu" copper, "Ni" nickel, "Ag" silver, "Pb" lead, "Zn" zinc, "Pt" platinum, "Pd" palladium, "Li" Lithium, "Nb" niobium, "Rb" rubidium, "Sb" antimony, "Sn" tin, "Ta" tantalum.

"ppm" means 1 part per million by weight.

"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.

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

"pXRF" means portable x-ray fluorescence. Pioneer owns a Bruker S1 Titan 800 portable XRF analyser which is an analytical tool providing semi-quantitative analyses for a range of elements 'in the field'.

REFERENCES

Note 1. Northern Star Resources – Diggers and Dealers 2016 presentation, 3 August 2016, slide 5.

Note 2. For further information about drill intersections noted in the text and on Figure 1 refer to the Company's announcements dated 16 April 2014, 22 October 2014, 26 June 2015, 6 October 2015, 18 December 2015 and 15 February 2016; and Quarterly Activities Reports.

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

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 exploration processes undertaken to qualify as a Competent Person as defined in the 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Crook consents to the inclusion of the matters presented in the announcement in the form and context in which they appear.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This document contains certain statements that may be deemed "forward-looking statements." All statements in this announcement, other than statements of historical facts, that address future market developments, government actions and events, are forward-looking statements.

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 generally on the Company's beliefs, opinions and estimates as of the dates the forward looking statements that 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.

Although Pioneer believes the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include new rare earth applications, the development of economic rare earth substitutes and general economic, market or business conditions.

While, Pioneer has made every reasonable effort to ensure the veracity of the information presented they cannot expressly guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein. Accordingly, the statements in the presentation should be used for general guidance only.