

Friday, 30 July 2010

Pioneer Resources Limited (ASX: PIO)

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2010

HIGHLIGHTS

Mt Jewell Gold Project – Positive drilling and metallurgical test results from Hughes Prospect

- **RC Drilling: 7 holes completed for 862m**
 - LDRC067: 17m at 3.19g/t Au from 34m **including 7m at 6.29g/t Au**
 - LDRC068: 16m at 1.52g/t Au from 112m **including 5m at 3.38g/t Au**
 - LDRC079: 32m at 1.46g/t Au from 104m **including 2m at 9.34g/t Au**
 - LDRC105: 5m at 2.36g/t Au from 30m
- **RAB Drilling: Gold target testing program – staged 30,000m of RAB drilling commences:**
 - 163 holes completed for 6,022m at Golden Cities North
 - Criterion Prospect highlighted for further drilling
- Visible gold at Hillsborough Prospect. Gold can be 'specked' over 800m of strike length in material surrounding prospectors' shafts.
- Metallurgical test samples from Hughes Prospect show excellent properties including high gold recovery, low cyanide consumption and negligible contaminants.

Acra Joint Venture – Nickel sulphides intersected

- 48m zone of disseminated nickeliferous sulphides intersected in JBDD015. Within this zone:
 - **9.55m at 0.98% Ni and 362ppm Cu between 654.00m and 663.55m; which included:**
 - **0.85m at 3.05% Ni and 524ppm Cu from 662.70m.**

Ravensthorpe – Sale of copper and gold assets completes withdrawal from this Project. Pioneer retains a gross over-riding interest through royalty agreements via:

- an Option Deed with Mineral Resources Limited with an entitlement to a royalty from any future production of iron and manganese; and
- a Sale and Purchase Agreement with Tectonic Resources NL with an entitlement to a royalty from any future production of gold and copper.

CORPORATE

At 30 June 2010 Pioneer had cash reserves of \$2.3 million and no debt.

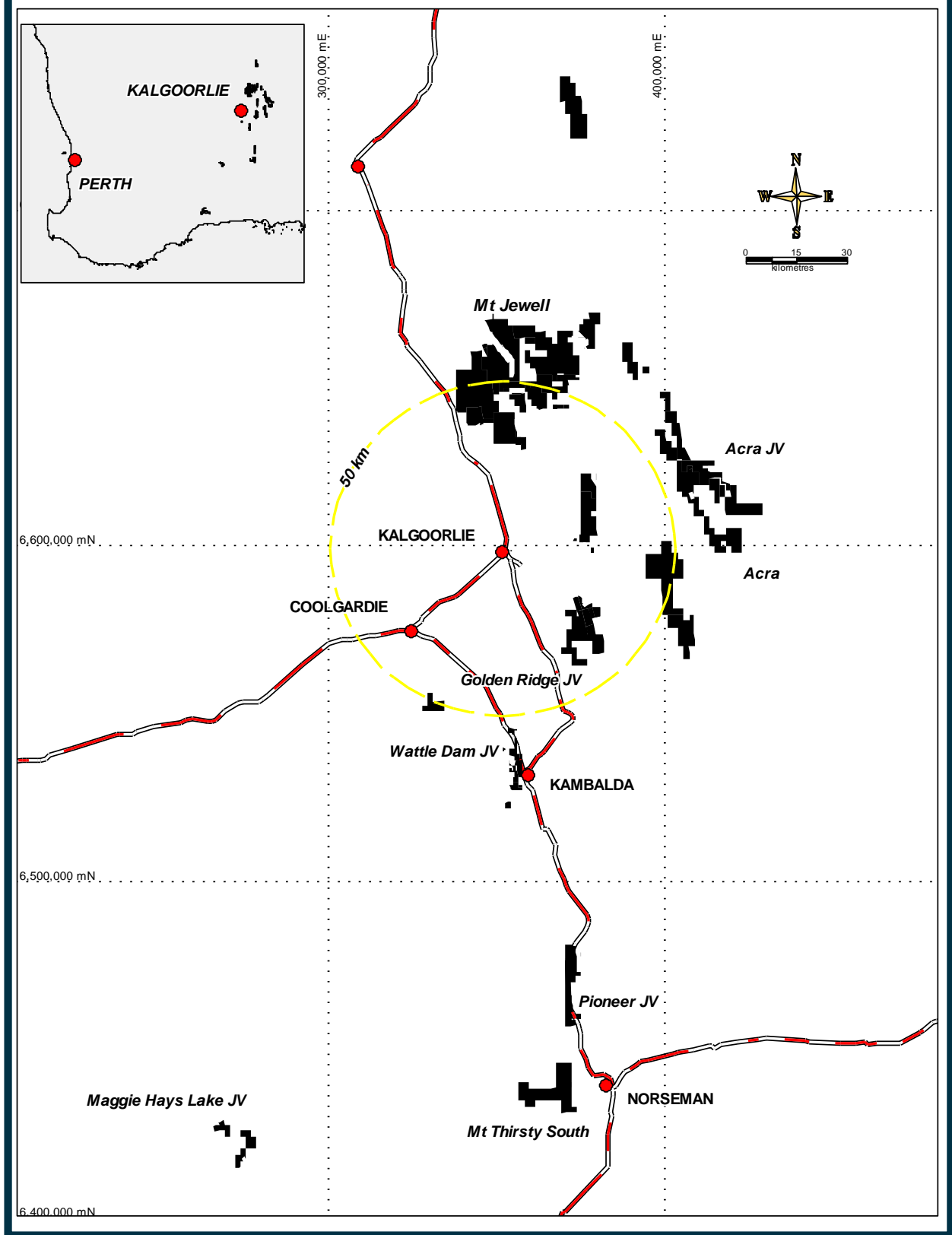


Figure 1: Tenement Location Plan

EXPLORATION:

1. MT JEWELL GOLD PROJECT.

(Pioneer 100%).

Since reverse circulation (“RC”) drilling commenced in September 2009, Pioneer has discovered two significant occurrences of gold at the Mt Jewell Project – the Tregurtha and Hughes Prospects. This quarter’s exploration activities were designed to locate new gold targets, and the Criterion Prospect looks very promising.

RAB DRILLING: A staged 30,000m of RAB drilling has commenced, to generate gold targets this year.

The Company has commenced a staged series of exploration RAB drilling programs aimed at identifying new gold targets for Mineral Resource drilling. This quarter, a large gold anomaly at Golden Cities North was tested, and a priority target at Criterion has emerged. Targets are shown on Figures 2 and 3, on page 8.

Drilling at Golden Cities North amounted to 163 holes for 6,022m. Holes in-filled existing drilling completed by a previous tenement holder and resulted, generally, in a drill-hole density over specific areas of 160x80m.

The first priority target to be confirmed is the 1,800m NW-SE ‘Criterion’ anomaly, (see Figure 3) with components that suggest multiple intersecting structures – a feature commonly observed in gold mines. Pioneer will increase the density of RAB drilling to 80x40m before commencing RC drilling.

Other targets that require RAB drilling include the Grand, Pianto, Hughes West, Hillsborough and Top Prospects.

RC DRILLING: Excellent results returned from a small extensional drilling program at the Hughes Prospect

A program of mineral definition RC drilling successfully located supergene gold mineralisation at the Hughes Prospect, and extended mineralisation 40m N. Two updated cross sections for Hughes are included as Figures 4 and 5 on page 8.

RC drilling amounted to 7 holes for 862m, bringing the drill-hole density up to a 40x40m grid over the area tested. Drill intersections included:

Hole ID	North (m)	East (m)	Depth (m)	Dip (°)	Azimuth (°)	From (m)	To (m)	Intercept (m)	Au (g/t)	Cutoff (g/t)
LDRC067	6,650,520	352,700	80	-60.4	270.4	34	51	17	3.19	0.5
LDRC067	including					35	42	7	6.29	1
LDRC067	and					45	48	3	1.55	1
LDRC067	and					69	71	2	1.53	1
LDRC068	6,650,520	352,820	150	-60.8	270	85	87	2	1.75	1
LDRC068	and					112	128	16	1.52	0.5
LDRC068	including					115	120	5	3.38	1
LDRC079	6,650,500	352,800	150	-61.1	271.8	104	136	32	1.46	0.5
LDRC079	including					111	113	2	9.34	1
LDRC079	and					116	118	2	3.29	1
LDRC079	and					128	131	3	1.25	1
LDRC105	6,650,640	352,830	110	-60.5	271.2	30	35	5	2.36	0.5
LDRC105	and					76	82	6	1.29	1
LDRC106	6,650,640	352,880	132	-60.9	267.9	104	109	5	1.56	1
LDRC106	and		132	-60.9	267.9	116	122	6	1.65	1

METALLURGICAL TESTING: Excellent extractive properties

AMMTEC was engaged to complete a brief metallurgical appraisal of two samples from the Hughes Prospect. Testing was designed to appraise the amenability of the samples to conventional CIP gold extraction technology. Results from Hughes are very encouraging and confirm the excellent results returned from three earlier samples from the Tregurtha Prospect which showed similar metallurgical characteristics.

Pioneer notes the following observations based on the data in Table 2:

- Excellent recoveries indicated from conventional gravity followed by CIP extraction. Results indicate 93.1% (transition ore) and 94.9% (fresh sulphide) expected recovery.
- Cyanide and Lime consumption is low, indicating a simple ore type.
- Very low concentrations of deleterious elements, particularly arsenic and copper. High arsenic values can indicate that the ore is 'refractory' and will require a more complicated treatment process.

Table 2.			
Metallurgical Recovery Results			
	Unit	Transition	Fresh
Head Assay	g/t Au	2.54	2.55
Calc head	g/t Au	2.68	2.33
Residue	g/t Au	0.185	0.12
Recovery	%	93.10%	94.86%
Gravity Gold	%	8.68%	14.49%
Cyanide consumption	Kg/t	1.01	0.68
Lime consumption	Kg/t	0.50	0.27
Arsenic	ppm	13	22
Silver	ppm	-	0.6
Copper	ppm	99	106
Sulphur (sulphide)	%	0.03	0.48
True SG		2.74	2.72

OUTLOOK

Lignum Dam and Golden Cities North: Target generation drilling will resume

Pioneer will continue its program of target generation RAB drilling during the September 2010 quarter. At present, Programs of Work applications have been granted for 26,000m of drilling which will in-fill targets at Criterion, Grand, Pianto, Top and Hughes West Prospects; and provide first pass coverage of soil geochemistry targets at Criterion North and Pipeline Prospects (T1-T3). Please refer to Figures 2 and 3 on page 8.

Mt Jewell Regional: Visible Gold in rock samples from the Hillsborough Prospect

Prospectors' workings provide evidence of a gold system with a strike length of at least 800m. The workings consist of a series of small, shallow open stopes, underlay shafts and pits developed on two quartz reefs approximately 10 m apart. None of the workings are developed into fresh rock. Visible gold, seen as dustings on quartz, is readily found in mullock.

Several historic drill holes in the area show that the hosting geological unit is deeply weathered granite. These drill holes have not tested the centre of the workings and may have terminated in the hanging wall, short of the mineralisation.

Notes for Table 1.

- Drill hole collar positions determined by GPS and will be confirmed by licensed surveyor. GDA94-51 datum.
- Analytical results by Genalysis Laboratories Pty Ltd: 50g Fire Assay, 0.01g/t lower detection limit.
- Length weighted average grade reported. Single metre assays have replace composited sample assays.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

2. GOLDEN RIDGE NICKEL JV PROJECT: EM Surveys for August 2010

(Pioneer 56%, Australian Mines Limited 44%. Both Parties contribute on a pro-rata basis).

The joint venture previously engaged a group of nickel sulphide specialists to complete a review of the project. The review advised that the project is very prospective for the further discovery of nickeliferous sulphides.

The review suggested minor changes to the geological model, and confirmed as priority areas:

- The Blair Mine ultramafic surface (including Blair E, Blair NE, Frazer and Marshall South)
- the Blair South - Central Ultramafic Unit contact
- the Anomaly 11 - Anomaly 20SW ultramafic surface.

Attention was drawn to 9 unresolved geophysical anomalies and three geochemical targets.

OUTLOOK

Due to unprecedented demand for equipment, moving loop and fixed loop EM surveys were delayed. These are now scheduled for August 2010, when the survey crew are next available.

The geophysical EM surveys will test for conductive bodies within fresh rock, which may include lenses of nickeliferous sulphides. The surveys will cover areas near the Blair Mine, at Anomalies 11 and 20SW (where disseminated nickeliferous sulphides occur) and new targets along the Central Ultramafic Unit.

Subject to the quality of any targets generated, follow-up drilling will take place later this year.

3. RAVENSTHORPE PROJECT: Drilling approvals received

*(Tectonic Resources NL: all minerals except Fe and Mn – Pioneer 1.5% NSR (subject to completion)
Mineral Resources Limited: Option to acquire Fe and Mn ore – Pioneer benchmark-based royalty.)*

Pioneer has entered into a sale and purchase agreement with Tectonic Resources NL ("Tectonic"). Under the agreement (which is subject to certain conditions being satisfied), Tectonic will acquire a 100% interest in all of the Ravensthorpe Project tenements, and all minerals excluding iron and manganese.

This completes the Company's withdrawal from the Ravensthorpe District, and reflects the increasing importance of the Mt Jewell Project to the Company.

As consideration, Tectonic will:

- Pay to Pioneer a 1.5% NSR royalty over any future gold and copper won from the tenements; and
- Issue to Pioneer 500,000, 2 year unlisted options in Tectonic (exercise price 10% premium to VWAP).

Pioneer has reserved rights to iron and manganese minerals from the Tectonic agreement. These rights are the subject of a separate Option Agreement between Pioneer and Mineral Resources Limited ("MinRes"). Under the terms of the Option Agreement, MinRes will:

- Fully fund an exploration program and related activities to determine whether a manganese and iron ore mining operation at Mt Chester would be feasible within three years.
- In the event that a decision is taken to develop Mt Chester, fully fund the project and have the exclusive rights to mine, treat and sell the manganese and iron ore.
- Pay Pioneer a royalty for each tonne of iron ore and manganese ore product removed from the tenements. The royalties are subject to variation using prescribed formulae linked to benchmark prices for the two commodities.

In the event that MinRes elects to not exercise the option, iron and manganese rights will revert to Tectonic in return for a NSR royalty of 3.5%, payable to Pioneer on any production of these commodities.

OUTLOOK

MinRes has received its first Program of Work approval, enabling the inaugural drilling program to commence.

4. ACRA JV PROJECT:

(Pioneer 40% (free-carried), Xstrata Nickel Australasia Pty Ltd 60% with an option to earn up to an 80% interest). All exploration costs are fully funded by Xstrata.

The Acra Project is located near Kurnalpi, approximately 65km NE of Kalgoorlie, WA.

Three diamond drill holes, ACDD011 (348m), ACDD012 (303m) and JBDD015 (extended 283m to 769m) were completed during the December 2009 quarter for a total of 934m. Core logging identified ultramafic-hosted sulphide mineralisation in ACDD012 and JBDD015. Logging, sampling and assaying have been completed.

Of particular interest, **JBDD015** (at the Jubilee West Prospect) returned a 48m zone of disseminated nickeliferous sulphides. Within this zone, mineralisation included:

- **9.55m at 0.98% Ni and 362ppm Cu between 654.00m and 663.55m; which included:**
 - **0.85m at 3.05% Ni and 524ppm Cu from 662.70m.**

The nickel occurrence in JBDD015 is situated 210 metres along strike from drill hole JBDD014 (reported June 2008), which intersected 0.1m of nickeliferous sulphide grading 2.58% Ni from 553.72m to 553.82m at an intact basal ultramafic contact.

Cross sectional interpretations and correlation with Company mapping places the intersected nickeliferous sulphides in JBDD014 and JBDD015 within the same 'Western' ultramafic unit.

OUTLOOK

The reported intersection of nickel mineralisation is hosted within the 'Western Ultramafic Unit' at the Jubilee Prospect. The joint venture has scheduled a detailed fixed loop EM survey to specifically test this target during August 2010.

5. MT THIRSTY SOUTH PROJECT:

(Pioneer 100%)

Pioneer's tenement neighbour at the Mt Thirsty Project (Barra Resources Limited and Fission Energy Limited) announced that a drill hole had intersected 6m at 3.4% nickel, including 2m at 6.75% nickel. This is a very significant nickel intercept; the first in the area, and greatly enhances the prospectivity of the Mt Thirsty District for a significant nickel sulphide discovery.

Pioneer's Mt Thirsty South Project northern tenement boundary is 650m south of the drill hole collar location. The Company's exploration team has confirmed that the prospective ultramafic unit is present within Pioneer's tenement.

The exploration strategy going forward will be based on the search for Kambalda-style mineralisation, where nickel sulphide mineralisation has accumulated at the basal contact of komatiite rocks.

OUTLOOK

Mapping is well advanced. When complete, an EM geophysical survey will be designed to cover the targeted basal komatiite surface.

ANNOUNCEMENTS:

The following announcements may be accessed by activating the accompanying hyperlink.

23 July 2010

Pioneer completes exploration agreements for its Ravensthorpe Project

1 June 2010

More RC drilling results from Mt Jewell; AMEC Presentation

18 May 2010

Drilling intersects significant nickel sulphide mineralisation at Acra

19 April 2010

Drilling strikes more gold at Mt Jewell

Yours sincerely



Managing Director

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Glossary:

“Diamond Drilling” or “Core Drilling” is a drilling technique which uses a diamond-set drill bit to produce a cylindrical core of rock.

“EM” means electromagnetic, a geophysical survey technique used to locate conductive rocks which may host nickel sulphide mineralisation. There are a number of configurations of transmitters, receivers and processing available depending on the application.

“g/t” means grams per tonne (used for precious metals) and is equivalent to ppm.

“ppm” means 1 part per million by weight.

“RAB” means rotary air blast, a cost-effective drilling technique used to geochemically sample weathered rock.

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

“CIP” means Carbon in Pulp, which refers to a common gold extraction and concentration flow sheet.

“Au” means gold.

“Cu” means copper.

“Ni” means nickel.

“VWAP” means volume weighted average price over a designated period. The Tectonic agreement stipulates 30 days.

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.

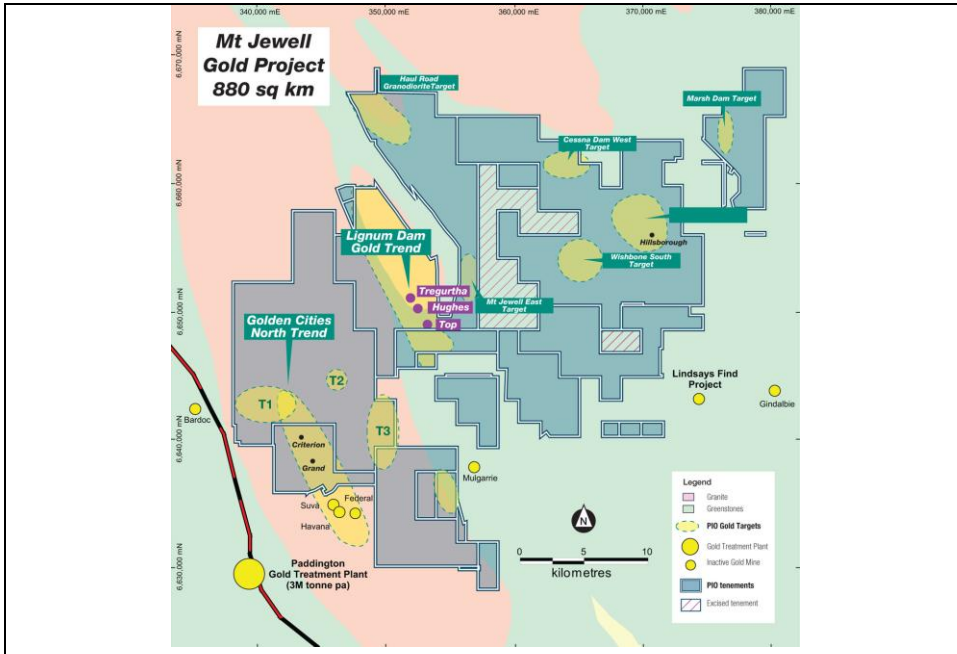


Figure 2: Mt Jewell Project Tenements and Prospects.

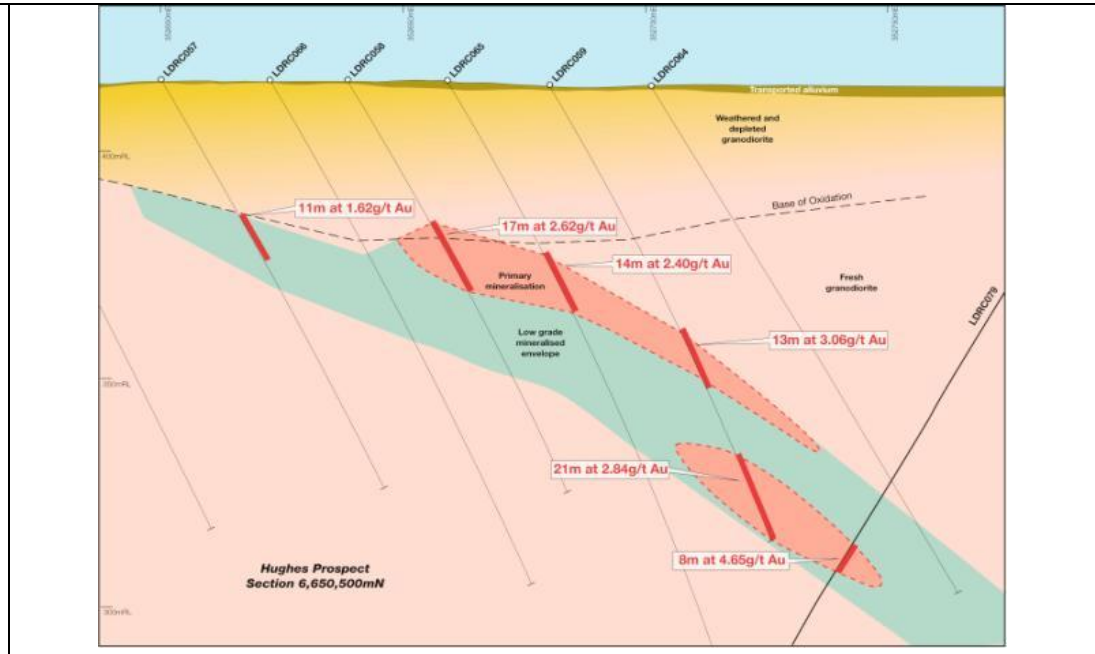


Figure 4: Hughes Drill Hole Cross Section at 6,650,500mN.

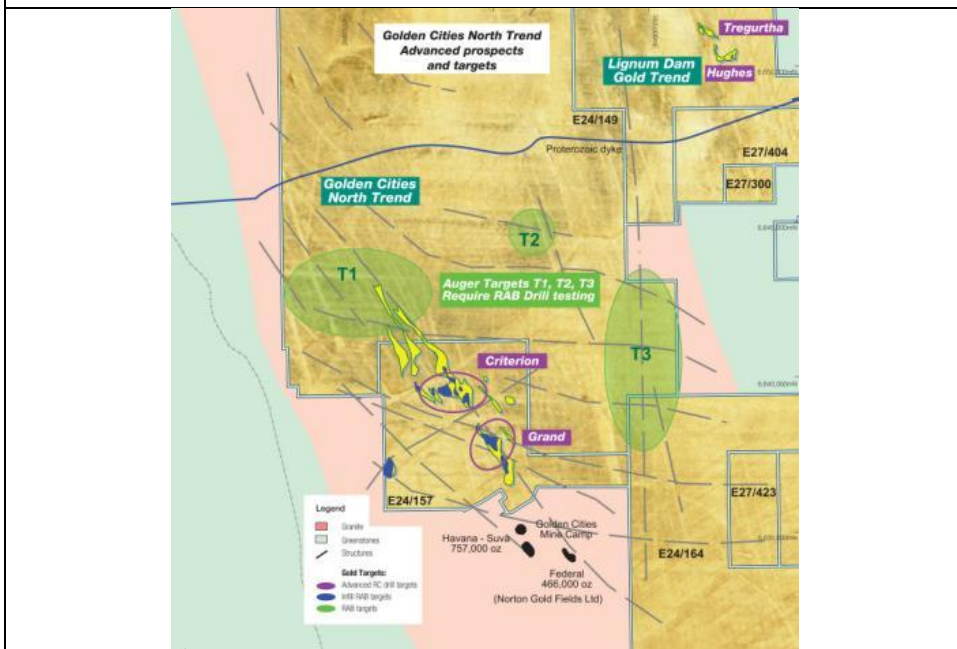


Figure 3: Golden Cities North Trend showing gold targets

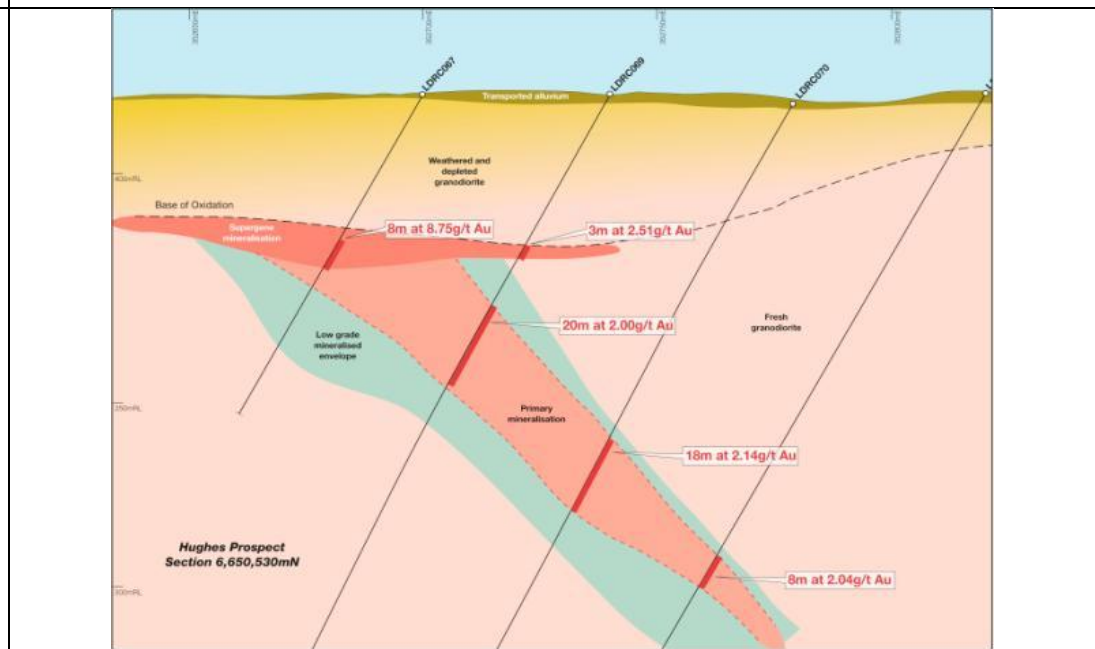


Figure 5: Hughes Drill Hole Cross Sections at 6,650,530mN.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

PIONEER RESOURCES LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

30 JUNE 2010

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(940)	(2,929)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(183)	(612)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	26	119
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Joint venture and other exploration funding	47	713
Net Operating Cash Flows		(1,050)	(2,709)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	(175)
	(b) equity investments	-	-
	(c) other fixed assets	-	(17)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Tenement bonds refunded	-	1
Net investing cash flows		-	(191)
1.13	Total operating and investing cash flows (carried forward)	(1,050)	(2,900)

1.13	Total operating and investing cash flows (brought forward)	(1,050)	(2,900)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,178
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	-	(266)
	Net financing cash flows	-	3,912
	Net increase (decrease) in cash held	(1,050)	1,012
1.20	Cash at beginning of quarter/year to date	3,387	1,325
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,337	2,337

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$104
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Within item 1.2

(i) Managing Director and Non-Executive Directors' remuneration - \$104k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	190
Total	690

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	24	103
5.2 Deposits at call	2,313	3,284
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,337	3,387

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E15/689	Registered Holder	25% Au 20% Ni	0%
	E15/742	Registered Holder	25% Au 20% Ni	0%
	P15/4790	Registered Holder	25% Au 20% Ni	0%
	P25/1948	Registered Holder	100%	0%
	P25/1949	Registered Holder	100%	0%
	P25/1950	Registered Holder	100%	0%
	P25/1951	Registered Holder	100%	0%
	E31/575	Registered Holder	40%	0%

6.2 Interests in mining tenements acquired or increased

P15/4765	Registered Holder	0%	25% Au 20% Ni
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	279,044,749	279,044,749		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -			
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

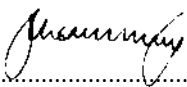
7.7	Options (description and conversion factor)			Exercise price	Expiry date
	Unlisted Options	1,000,000	-	25 cents each	31 Aug 2011
	Unlisted Options	2,400,000	-	20 cents each	8 Sept 2010
	Unlisted Options	2,400,000	-	22 cents each	8 Sept 2011
	Unlisted Options	200,000	-	25 cents each	31 March 2012
	Unlisted Options	350,000	-	25 cents each	30 June 2011
	Unlisted Options	250,000	-	30 cents each	30 June 2011
	Unlisted Options	750,000	-	20 cents each	30 June 2012
	Unlisted Options	750,000	-	22 cents each	30 June 2013
	Unlisted Options	3,366,665	-	8.5 cents each	30 Nov 2013
	Unlisted Options	3,341,665	-	10 cents each	30 Nov 2013
	Unlisted Options	3,341,670	-	12 cents each	30 Nov 2013
	Unlisted Options	2,000,000	-	10 cents each	31 Dec 2011
	Unlisted Options	2,000,000	-	12 cents each	31 Dec 2011
	Unlisted Options	433,333	-	8.5 cents each	31 Dec 2013
	Unlisted Options	433,333	-	10 cents each	31 Dec 2013
	Unlisted Options	433,334	-	12 cents each	31 Dec 2013
7.8	Issued during quarter				
	Unlisted Options	433,333	-	8.5 cents each	31 Dec 2013
	Unlisted Options	433,333	-	10 cents each	31 Dec 2013
	Unlisted Options	433,334	-	12 cents each	31 Dec 2013
7.9	Exercised during quarter	-			
7.1 0	Expired during quarter	-			
7.1 1	Debentures (totals only)				
7.1 2	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~not~~* (~~delete one~~) give a true and fair view of the matters disclosed.

Sign here:



 (Company secretary)

Date: 27 July 2010

Print name: JULIE ANNE WOLSELEY

Notes

1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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