

Monday 7<sup>th</sup> May, 2012

### Pioneer Resources – cashed-up following gold asset sale and drilling now underway

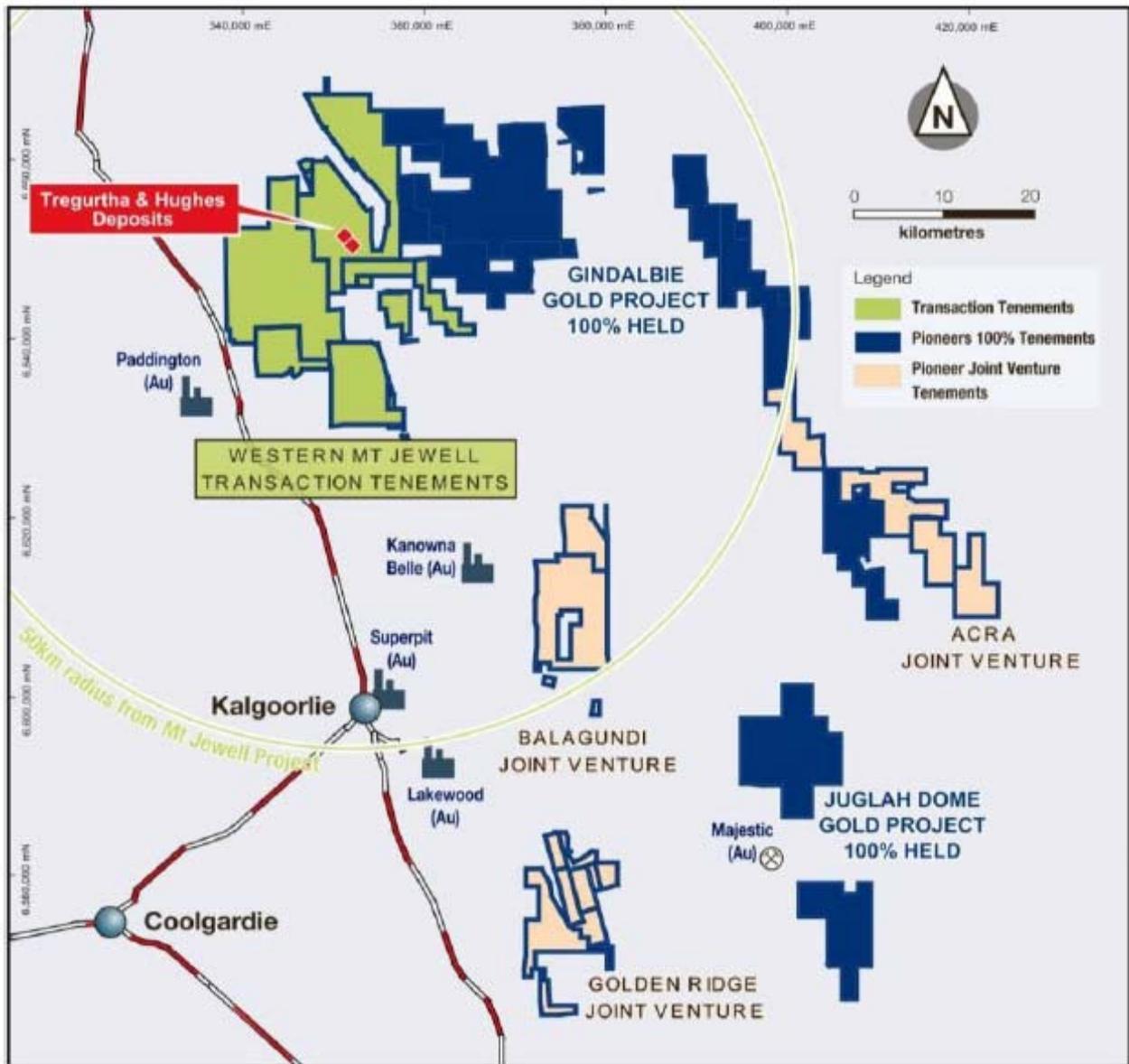
We added **Pioneer Resources (ASX: PIO, Share Price: \$0.018, Market Cap: \$9m)** to our Watch-list via our Daily Bulletin back in June last year. The obvious attraction from our perspective was the company's Mt Jewell gold project in Western Australia, where the company was working towards identifying a commercial gold deposit. This it achieved during the second half of 2011, proving up a maiden JORC-compliant resource of 3.78 million tonnes at a grade of 1.53g/t Au for 185,600 ounces of contained gold.



Pioneer realized that the deposit in itself wasn't enough to justify a stand-alone development, so it sensibly made a commercial decision during March 2012 to sell the Western Mt Jewell project to ASX-listed and regional gold producer Carrick Gold (ASX: CRK) for consideration of \$8 million, with the sale subject to shareholder approval at a General Meeting on 18 May 2012.

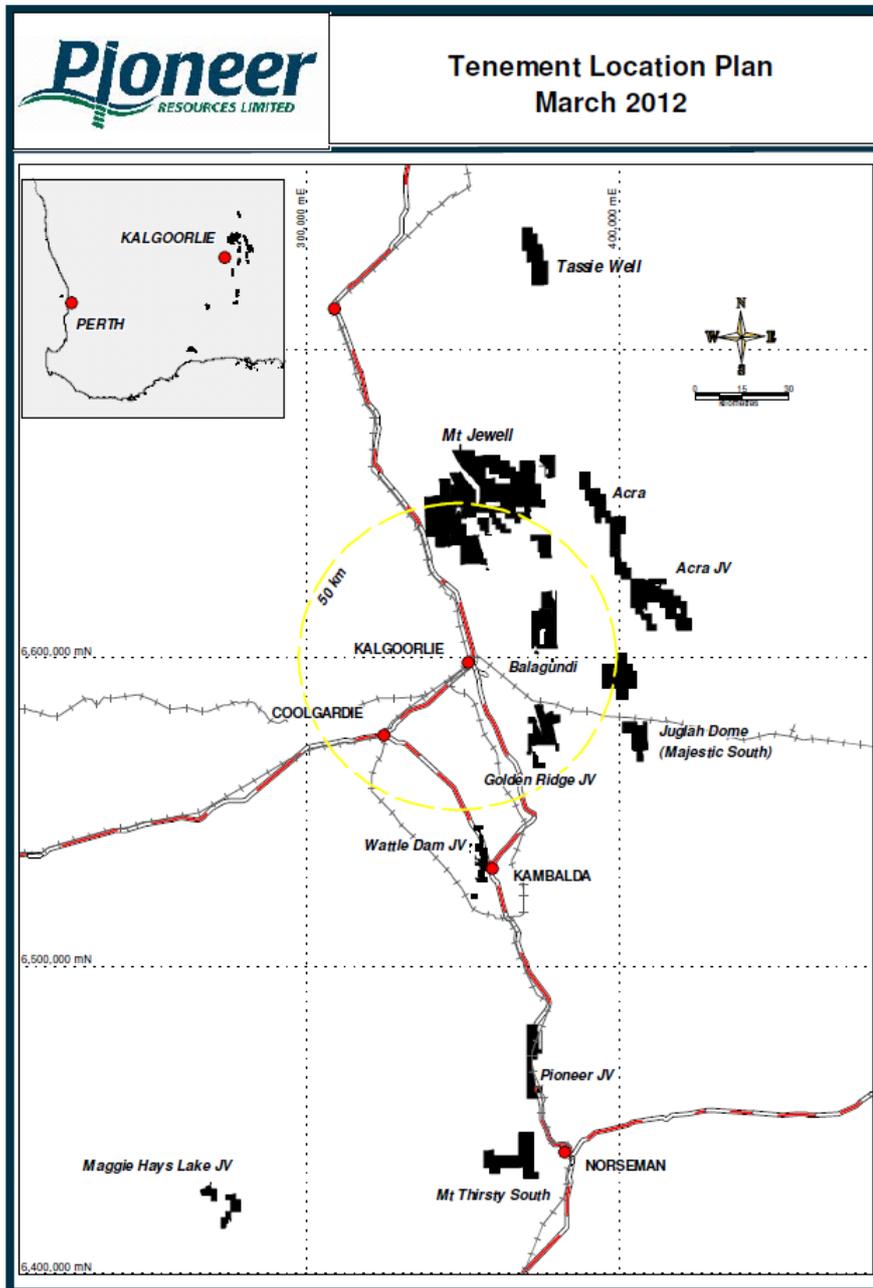
**Assuming completion, the company will have cash of around \$7 million and receivables over the next three years of \$3.5 million. All this in a company that's currently valued at around \$9 million - not a bad value equation.**

Pioneer has retained a very large tenement portfolio within the Kalgoorlie area, including a 100% stake in the eastern Mt Jewell Gold Project tenements – now renamed the Gindalbie Gold Project. The company's immediate focus is on regional exploration, with the recent completion of the first drill holes at Gindalbie. Drilling commenced just last week and is set to test two new gold targets that had been generated earlier this year, with results expected by the end of June 2012.



Work undertaken during the March 2012 quarter included a 490 sq km gravity survey that covered most of the Gindalbie project area. The survey provided data about large, deeply-rooted geological structures that might be related to gold mineralising events. The company also undertook a 3,480 soil sample survey. In addition, Pioneer acquired a beneficial right to exploration Licence E27/384, which represents a natural adjunct to the Gindalbie project in a highly prospective location south of the Lindsay's Find gold deposit owned by Carrick Gold (ASX: CRK) and the recent Lindsay's South drill intersections reported by Hawthorn Resources (ASX: HAW).

The company's second major exploration focus area is its Juglah Dome Gold Project, which lies 58km southeast of Kalgoorlie in Western Australia. The project is situated around 5km southeast of Integra Mining 's (ASX: IGR) Majestic gold deposit, with initial gold targets resulting from collaboration between Kalgoorlie prospectors and Pioneer geologists. Pioneer plans to drill-test three gold anomalies at Juglah, with results anticipated during June 2012.



We'll be meeting up with Pioneer's Managing Director David Crook at the RIU Conference in Sydney this week, where we'll have a better opportunity to assess the company's immediate exploration prospects. At the moment the company represents a strong value play, but we'll want to see strong evidence that the company's exploration plans have the capacity to generate real exploration excitement for investors.

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