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Pioneer Resources – further high-grade RC drilling results reinforce Acra project gold potential

Pioneer Resources (ASX: PIO, Share Price: \$0.019, Market Cap: \$10m) is one of our Watch-list stocks and it has advised having received final gold assay results from the recent RC drilling program at its Acra gold project in Western Australia's Eastern Goldfields. The program was completed during April 2013 and importantly the results show that high-grade gold has been intersected at all four targets drilled since the company took control of the project during January this year.

The results reinforce the strong potential for Acra to host a significant gold system, and they provide clear targets for follow-up with respect to the balance of the company's 2013 drilling program.



Market Significance

Market recognition of the Pioneer story resulted in share price spikes during October 2012 and January 2013, coinciding with the release of encouraging gold drilling results. This time around the reaction to the results is more muted, but this in no way reflects the quality of the results or the resource potential of the Acra project. Rather, it is indicative of continuing poor sentiment that is afflicting the junior resources space. Acra is shaping up as a high-grade project that will deliver more encouragement.

Announcement Detail

Pioneer has intersected further high-grade gold mineralisation from its recent RC drilling program at its 100%-owned Acra gold project in WA's Eastern Goldfields.

Some of the best results from the **Jubilee East prospect** comprise:

- JERC002: 24 metres at 1.90g/t, including 13 metres at 2.84g/t from 27m
- JERC003: 2 metres at 12.42g/t from 57 metres
- JERC007: 4 metres at 8.11g/t from 34 metres
- JERC010: 5 metres at 3.35g/t from 101 metres (in fresh rock)
- JERC038: 2 metres at 9.03g/t from 43 metres

At the **Camelia South prospect**, 7 of 19 shallow holes drilled on a 100 x 40m grid to the base of the regolith returned very encouraging anomalous gold values. Preliminary assays of 3-metre composite samples included:

- CSRC002: 3 metres at 4.78g/t from 42 metres
- CSRC005: 3 metres at 2.14g/t from 24m metres
- CSRC012: 3 metres at 2.01g/t from 60 metres

At the **Evelyn Gladys prospect**, hole EGRC010 intersected 3 metres at 4.53g/t from 42 metres beneath old workings.

Technical Significance

The drilling program completed during April comprised 95 RC holes for a total of 7,382 metres drilled, testing gold targets at the Kalpini South, Jubilee East, Evelyn Gladys and Carmelia South prospects. Other targets have also been identified and are planned to be drilled progressively during the course of 2013. Targets were established through a review of modern soil geochemistry and historic regolith drilling.

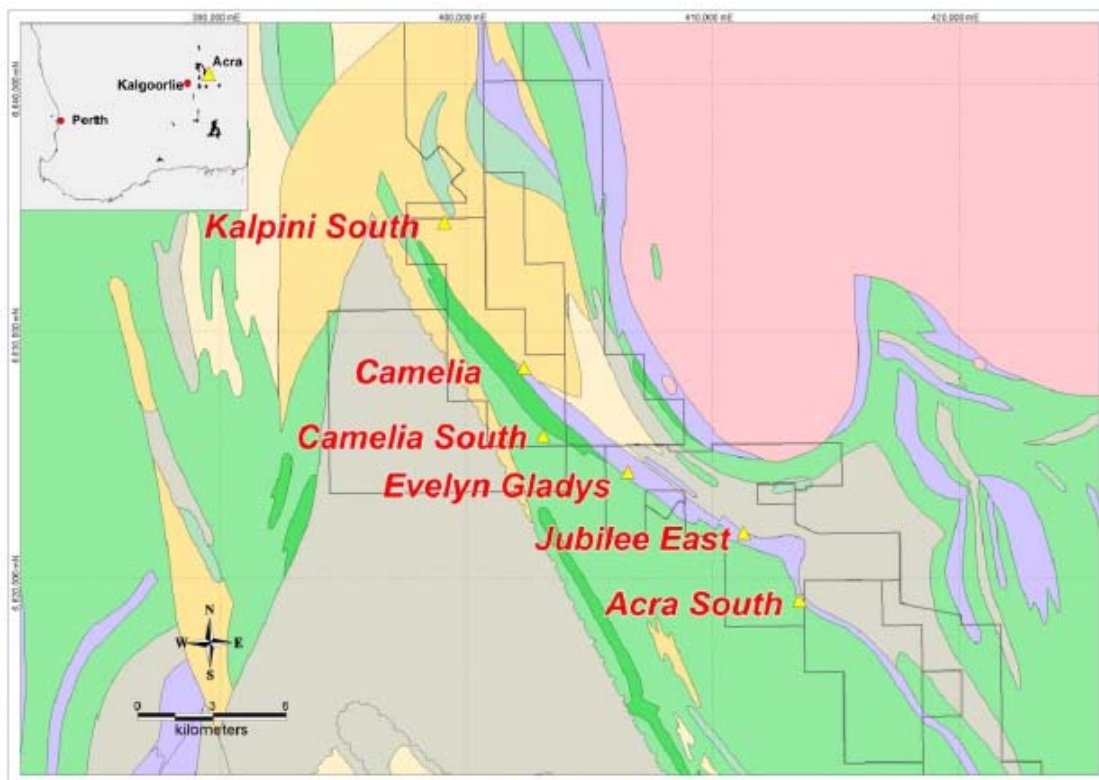
The results generated so far at Acra are very significant from a regional context, because the project is situated in close proximity to a number of significant gold deposits. Immediately to the north of Kalpini South lies the Kalpini gold project, which has a reported 255,000oz combined Mineral Resource at the Gambia and Atlas Deposits; whilst the Jubilee gold camp is located towards the southern end, some 15km southeast, and includes the historical Jubilee Gift gold mine within Pioneer's ground.

High-grade gold mineralization was intersected from the Kalpini South prospect, with the best results including 10 metres at 6.38g/t from 61 metres in hole KSRC004 and 9 metres at 5.31g/t from 36 metres in hole KSRC005. Other previous high-grade results came from the Jubilee East prospect, which included 15 metres at 17g/t Au from 42 metres depth (including 3 metres at 66.38g/t Au and 3 metres at 13.35g/t Au). Pioneer has lodged a submission for additional drilling at Kalpini South prospect and with heritage and environmental clearances in place, drilling could resume during June 2013.

Project Background

The Acra project has a history dating back to the 1970s, with the Jubilee East prospect in particular being recognised for its potential to host nickel sulphide mineralisation. Whilst drilling by past explorers between the 1980s and early 2000s was focused on testing for nickel, a number of these historic holes also intersected significant gold mineralization.

Furthermore during 2010, Geoscience Australia completed the Predictive Mineral Deposits collaborative research project, which identified Acra as a priority target area. Pioneer is the first modern exploration company to systematically target gold with the benefit of the modern datasets.



Pioneer acquired 100% of the gold rights to the Acra Project from Xstrata Nickel Australasia Operations during October 2012. The majority of post-1980s-era exploration has focused on the discovery of nickel sulphides at the Jones and Jubilee Gossans, as well as the Acra nickel prospect, despite the fact that gold was mined at the historic Jubilee Gift underground mine. During the 2000s, multi-element datasets were collected which generated a very large coherent gold anomaly of around 20 km in length.

Summary

Pioneer Resources remains on our Watch-list because of the high-grade drilling results that are being generated from its Acra Project. The news flow will continue throughout the course of 2013 and we can expect more of the same, which will lead to a better appreciation of the likely resource picture at Acra. At 30 March 2013, Pioneer held cash reserves of \$3.4 million and cash receivables of \$2.3 million, totalling \$5.7 million. – meaning its exploration programs are well-funded.

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