

Pioneer Resources

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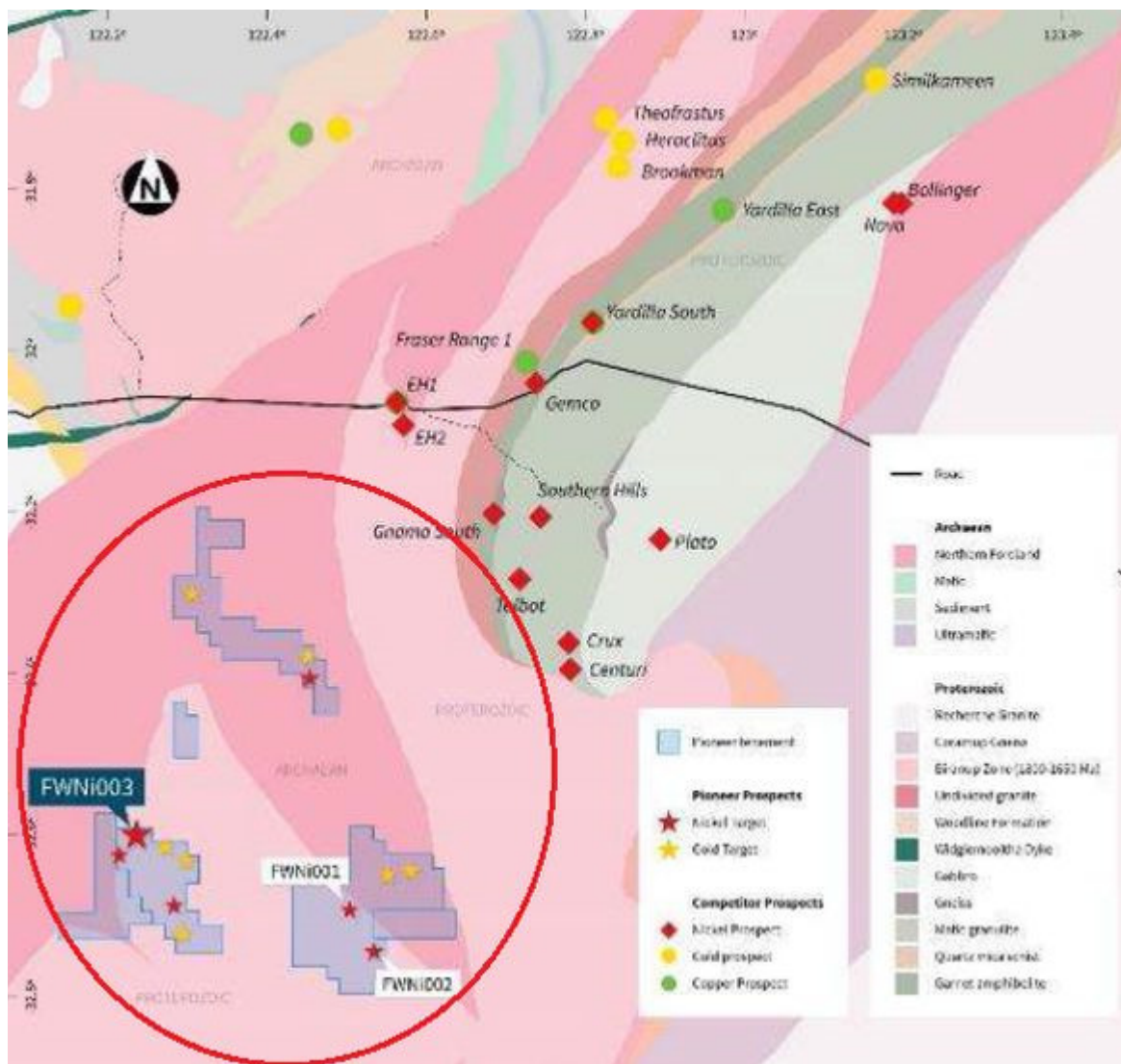
PIO

Spec. **HIGH**



**Fairwater showing more promising signs**

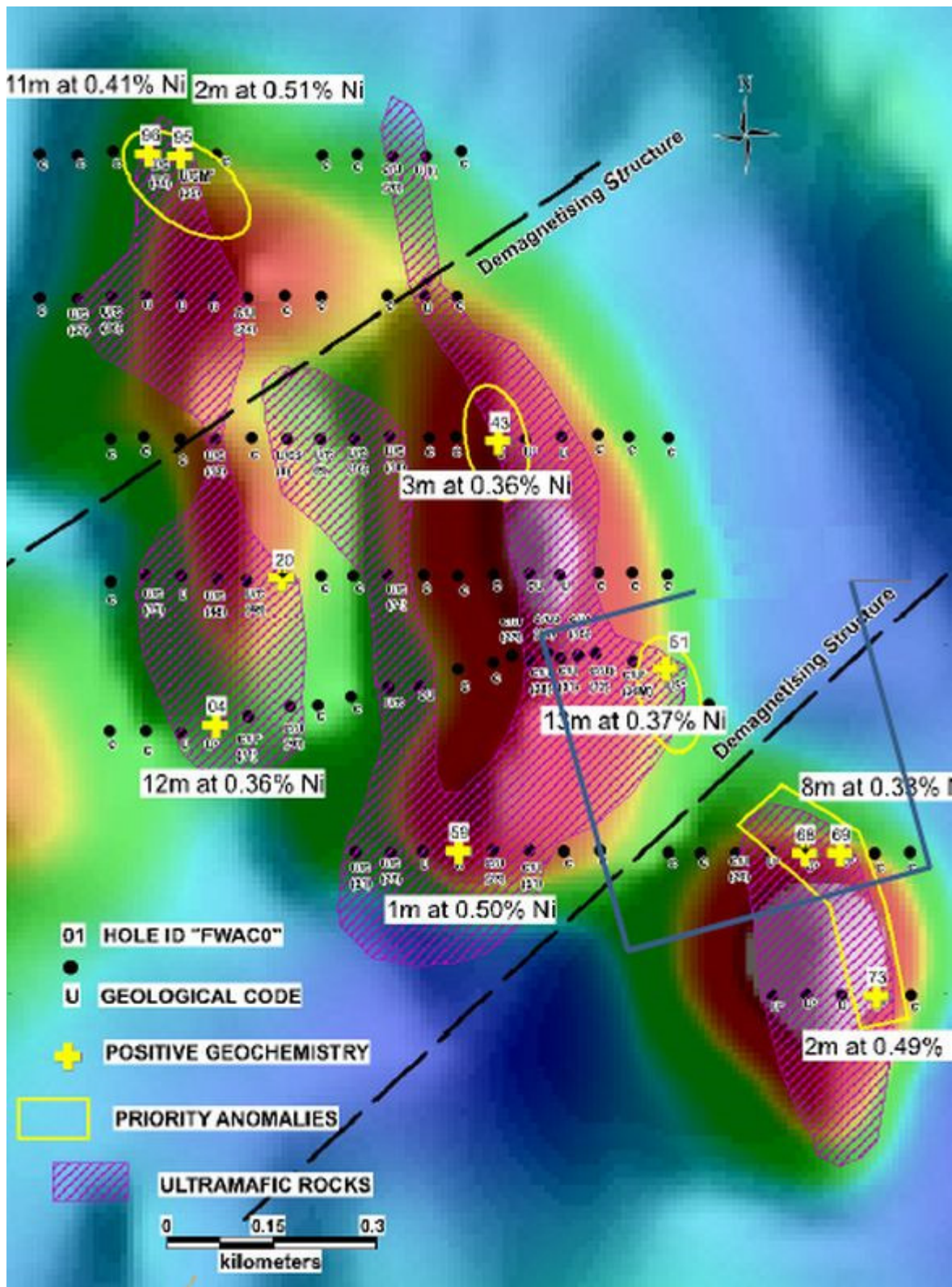
At the start of 2015, Pioneer Resources acquired the Fairwater tenements Pioneer's interest 75%) in the Albany Rangers Western Australia. Since acquiring Fairwater, the company has been conducting an extensive exploration of the site, with promising results. The following figure shows the regional location of the Fairwater nickel project (highlighted):



Source: Pioneer Resources

The company's exploration focus has been on prospect FWNi003, where the company is adding to the successful results from its earlier exploration activities across the site.

The final assay results from the company's aircore drill programme at FWNi003 have been received. The following figure shows the location of the company's drilling activities at Fairwater:

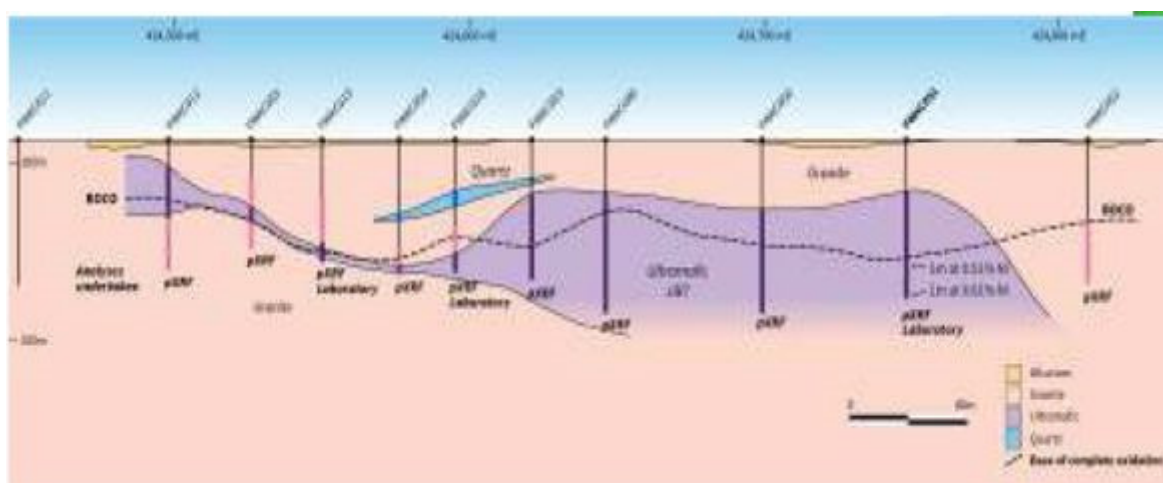


Source: Pioneer Resources

The better intersections returned eight metres graded at 0.33% nickel and 109 parts per million copper from 30 metres deep. This intersection is located some 200 metres from an earlier success that assayed at one metre graded at 0.51% nickel from 44 metres and a further intersection of one metre graded at 0.61% nickel with the hole finishing in mineralised ore. Anomalous nickel geochemistry was returned from ten drill holes.

Although the nickel grade of the ore is low the seam widths intersected range between one to 12 metres, it is the formation of the intersection that is of interest and especially when taken with the other data the company has to hand. The intersection of highly-altered ultramafic rock that commonly hosts nickel sulphide deposits is a very positive outcome, especially when found in association with nickel. The intersection also contained associated metals including copper and magnesian rocks. While the incident of visible sulphur minerals was elevated toward the end of the hole. We consider the intersection to be significant and will certainly warrant follow-up exploration. We warn Members that exploration of FWNi003 is in its infancy and carries considerable risk; expectation and outcome may vary considerable. **The pointers are however positive.**

The drilling programme at Fairwater has confirmed proof of concept in identifying the presences of the right type of geology that may host a major nickel deposit. The following figure shows a concept of the FWNi003 nickel deposit:

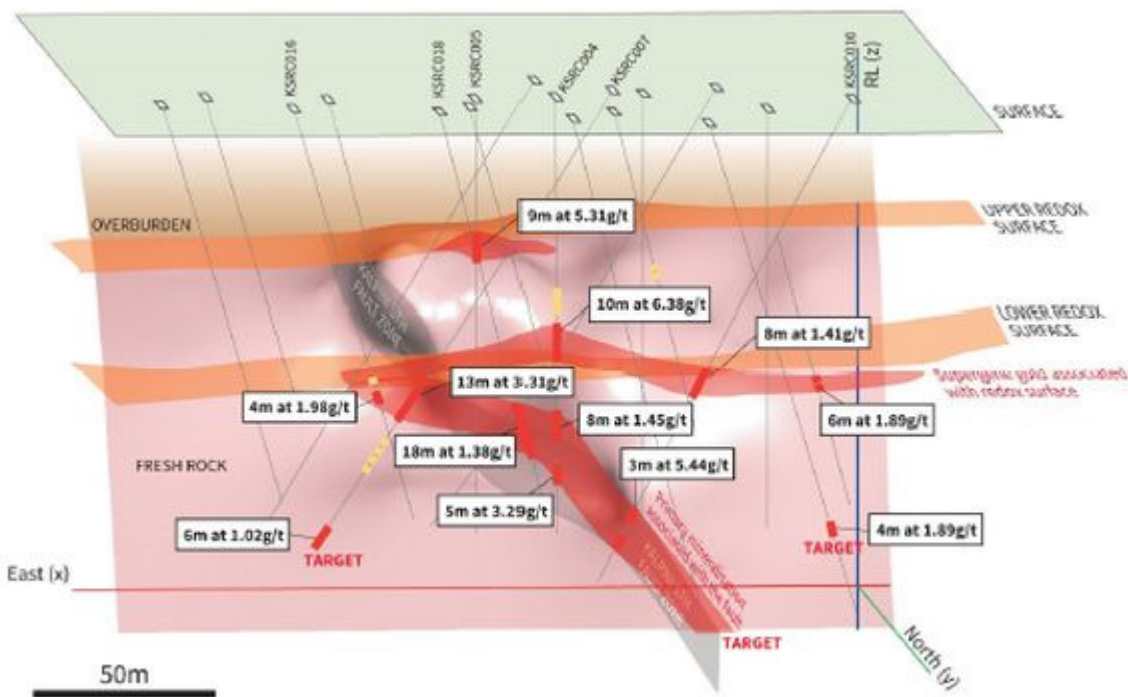


Source: Pioneer Resources

Going forward, the company will continue to carryout soil geochemistry sampling and undertake additional moving-loop electromagnetic (EM) surveys across the tenements. Further aircore and reverse cycle drilling is planned for the remainder of the drill season. Importantly, five deeper holes will be drilled to map the geology of the rock beneath the current shallow drill sites. The deeper holes will also provide a better platform to conduct further downhole EM surveys. **Funding for the next round of drilling at Fairwater will be by way of a grant of up to A\$129,500 through the Exploration Incentive Scheme (EIS) offered by the Western Australian Government.**

With Fairwater now delivering pointers to a possible major nickel system, the company continues to advance its Acra gold project, with a focus on the Kalpini South gold deposit. The following figure shows a concept of the Kalpini deposit:





Source: Pioneer Resources

Field work across Acra is ongoing and includes soil geochemical sampling at Kalpini West, Mayday North and Iron King. The company is planning to drill three high priority targets at its Kalpini South prospect during the latter part of 2015. Interpretation of the surface activities will determine the extent of the drill programme undertaken. Exploration at Acra is in its early stages, so revealing its potential will be a story we consider worth watching.



At 30 June 2015, the company had cash of \$2.6 million and forecast cash expenses for the just finished June quarter of A\$750,000. The company had budgeted A\$500,000 for exploration

activities. With the EIS funding, we consider the company is well-resourced to complete all its current undertakings. On this front, the company will report its June quarter 2015 activities and cash position to 30 June 2015 prior to the end of July 2015.



Going forward, we believe the company's efforts to open up its tenements through exploring is delivering the in ground results. All the company's key projects, we believe, have experienced in ground improvement as a result of the company's exploration efforts. Early exploration results have confirmed the potential that Acra could host a major mineralised gold system. Like Acra, the early results of mineralisation at Fairwater are now well supported by the current exploration outcomes and could suggest a major nickel system. Positive news regarding further exploration success at Acra and Fairwater should, we believe, be positive catalysts for the share price.

**With the above in mind, Pioneer Resources will continue to be firmly held within the Fat Prophets portfolio.**

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## Snapshot PIO

### Pioneer Resources

The company is typical of many quality, junior exploration companies that are doing it tough in the current market environment. The company boasts a strong portfolio of exploration projects and a high quality board to properly evaluate them, but the company has to watch its spending as the ability to replenish its cash reserves dries up. Nevertheless, with modest funding the company is able to keep its exploration programs ticking over, mainly with the help of major shareholder, Xstrata.

### Market Capitalisation:\$12.2m

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