

LEPIDICO TO FARM-IN TO PEG009 (PIONEER DOME) LEPIDOLITES

Perth, Western Australia: 23 February, 2017: Pioneer Resources Limited (“Company” or “Pioneer”) (ASX: PIO) is pleased to announce that it has entered in to a Farm-in Agreement with Lepidico Ltd (ASX:LPD) (“Lepidico”) at the Company’s Pioneer Dome Lithium-Caesium-Tantalum (LCT) Pegmatite Project in the Eastern Goldfields of Western Australia.

- **Farm-in agreement for Lepidico to earn a 75% interest in PEG009 Lepidolite. Lepidolite is a lithium-bearing platy mineral and is the subject of extractive metallurgical testing by Lepidico using the L-Max[®] hydrometallurgical process**
- **Lepidico to drill outcropping PEG009 lepidolite targets until milestone met**
- **Milestone is delineation of at least 500,000t grading 1.2% Li₂O in lepidolite within 2 years, sufficient to feed Lepidico’s proposed Phase 1 L-Max[®] Plant for 5 years.**
- **Initial joint venture area is approximately 2% of the total Pioneer Dome LCT Project area of 338 km².**

While restricted to lepidolite and minerals able to be treated by the L-Max[®] process sourced initially from the PEG009 Prospect, the agreement provides for the addition of other lepidolite targets as the joint venture advances successfully.

This allows Pioneer to focus on commercialising its Sinclair Caesium Prospect, advancing other lithium (in spodumene) and caesium (in pollucite) targets, including those at PEG004, PEG008 and PEG009, within the Pioneer Dome.

Under the JV terms Pioneer specifically retains 100% of pollucite and spodumene mineralisation.

“Pioneer congratulates Lepidico on the recently received Innovation Patent Certification for its L-Max[®] process, and its announcement that test work from the Phase 1 Plant pre-feasibility study continues to provide excellent results.

“From Pioneer’s perspective, it’s exposure to the advancing L-Max[®] process that is the catalyst for today’s transaction,” Pioneer’s Managing Director, David Crook, said.

A sample of lepidolite from PEG009 is currently undergoing bench-scale test-work to confirm its suitability as a potential ore feed for the L-Max[®] process, which directly produces lithium carbonate and various chemical by-products from platy/micaceous ores. Results are expected later this month.

Summary of Key Farm-in Terms

The farm-in is predicated on timely exploration at PEG009, to drill out a JORC Code (2012)-compliant Inferred-Indicated Resource of the order of 1 million tonnes of lepidolite-rich material grading in the vicinity of 1.5% Li₂O, as per the Terms and Conditions outlined below.

- **PEG009 Area:** The farm-in area over PEG009 will include all of Kalgoorlie Primary Block 3404, sub-blocks J and O (“PEG009 Area”) as shown in Figure 1.

- *Stage 1 Farm-in:* Within 12 months of Commencement Date, Lepidico commits to undertake sufficient work to delineate a JORC Code (2012)-compliant Inferred Resource of at least 500,000 t grading at least 1.2% Li₂O based on lepidolite content.
- *Stage 2 farm-in:* Within 24 months of Commencement Date, Lepidico is to delineate a lepidolite-rich JORC Code-compliant Indicated Resource of at least 500,000 t grading at least 1.2% Li₂O based on lepidolite content to earn a 75% equity interest in the PEG009 Area.
- If Lepidico fails to meet either the Stage 1 or Stage 2 requirements the agreement will terminate and Lepidico will not retain any interest in the PEG009 Area.
- *Pioneer Free-carried:* On Lepidico earning a 75% interest by satisfying the Stage 2 requirements, Pioneer's 25% interest will be free-carried by Lepidico through to completion of a feasibility study resulting in a Decision to Mine.
- *Contributing Joint Venture:* Consequent upon a Decision to Mine a JV Management Committee will be formed, with pro-rata voting rights, and subsequent expenditure would be on a contributing joint venture basis, with Lepidico contributing 75%, and Pioneer 25%. Each of Lepidico and Pioneer have the option to dilute. If Pioneer dilutes to an interest of less than 10% then its interest would convert to a 2% net L-Max[®] refinery royalty. If Lepidico dilutes to an interest of less than 10% then it will be deemed to have withdrawn from the joint venture and all rights in the PEG009 Area will revert to Pioneer.
- *Buy-out:* At any stage after it has earned a 75% interest, Lepidico may offer to buy out Pioneer's interest on terms agreed by the parties.
- *Other minerals:* Lepidico will earn rights to minerals conducive to treatment by the L-Max[®] process, including lepidolite and other Li-bearing mica minerals as well as lithium phosphate minerals such as amblygonite and montebrasite. Lithium silicate minerals such as spodumene and petalite would be handed to Pioneer. All other products, excluding pollucite, would be shared on a pro-rata basis. Pollucite (a caesium mineral) is explicitly reserved by Pioneer for its sole benefit.
- *Pre-emptive rights:* Lepidico and Pioneer are to have a first right of refusal on the other party's interest in case of an offer from a third party.
- *Withdrawal:* If Lepidico withdraws prior to earning its 75% interest it will not hold any beneficial interest in the PEG009 Area.

About the PEG009 Prospect

PWG009 is located 3km south of Pioneer's recently discovered high grade Sinclair Caesium Deposit within the Pioneer Dome Project, and covers a strike length of approximately 2.5km in exploration licence E63/1669 (Figure 1). It is one cluster of 13 pegmatite clusters identified by Pioneer along a 20km trend along the eastern edge of the Pioneer Dome.

The PEG009 prospect is located approximately 35km north of the town of Norseman adjacent to the Coolgardie-Esperance Highway and rail line.

Mapping at PEG009 has identified two lepidolite-mineralized pegmatites, and rock chips have returned: at PEG009A - values up to 3.94% Li₂O; and at PEG009B - values up to 3.84% Li₂O. Rock chips are also anomalous with caesium.

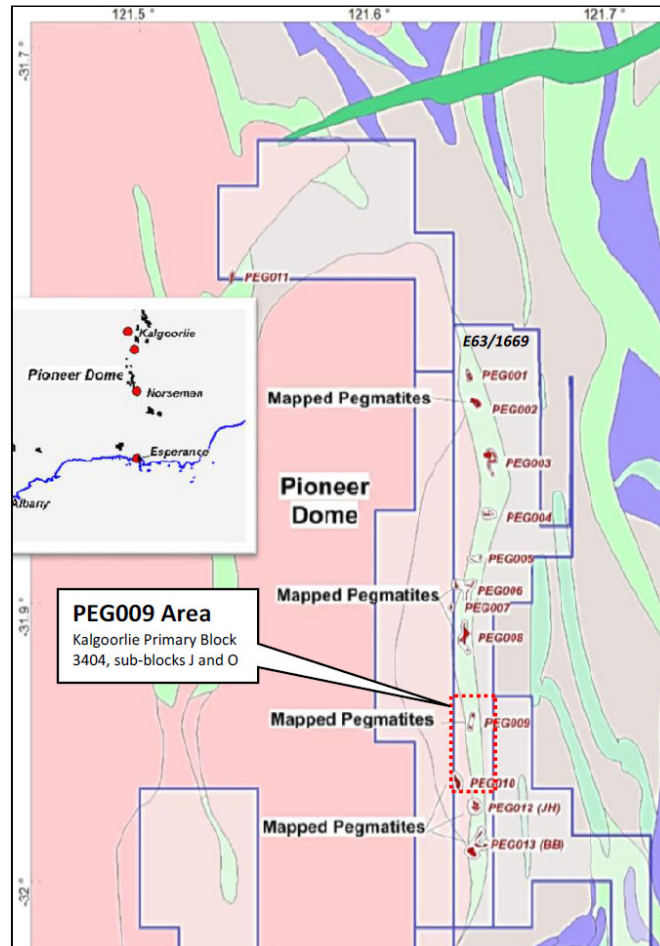
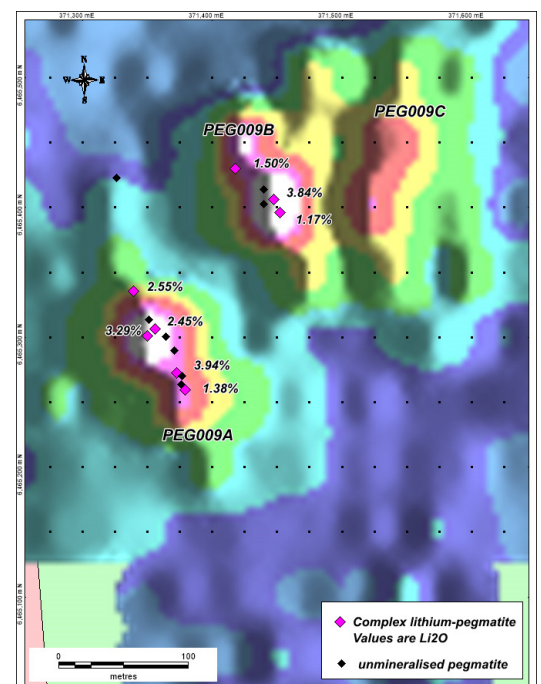


Figure 1. Location of the PEG009 Farm-in area within Pioneer's Pioneer Dome Project.



Photo 1: PEG009 is an example of a complex LCT pegmatite. Lepidolite, a lithium mica, and tourmaline is evident in two parallel outcropping pegmatite dykes over a 200m strike length.

Image 1: Soil geochemistry image for PEG009, showing 3 lithium anomalies, and locations of rock chip samples, with high grade assays annotated.



About Pioneer Resources Limited

The Company's strategy is to actively explore for key, global demand-driven commodities in highly prospective geological domains, in areas with low geopolitical risk and with established infrastructure. The Company's portfolio includes high quality lithium assets in Canada and WA, plus strategically located gold and nickel projects in mining regions of Western Australia.

The Company is presently drilling at the Mavis Lake spodumene project in Ontario and is also earning an interest in the nearby Raleigh Lithium Project. The Company is also advancing its 100%-owned Pioneer Dome Lithium Caesium Tantalum Project where, during 2016 the Company discovered a lens of the high value, high-grade caesium mineral pollucite, which it is advancing towards a commercial decision point.

The Company recently announced a joint venture for its Acra Gold Project by which Northern Star Resources Limited may earn a 75% interest.

The Company also owns a portfolio of nickel, gold and base metal prospects.

About Lepidico Ltd and the L-Max® Process

Lepidico owns the technology to a hydrometallurgical process, referred to as L-Max® that has successfully produced lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite.

Lepidico is currently conducting a pre-feasibility study for a Phase 1 L-Max® plant, targeting production for 2019. Testing includes the operation of a continuous flow mini-plant (see Miningnews 9 February 2017).

Yours faithfully





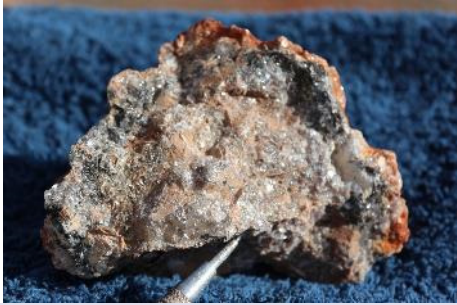


Managing Director

For further information please contact:

David Crook
Managing Director
Pioneer Resources
T: +61 8 9322 6974
E: dcrook@pioresources.com.au

James Moses
Media and Investor Relations
Mandate Corporate
M: +61 420 991 574
E: james@mandatecorporate.com.au

PEG009A		Li ₂ O (%)	Cs ₂ O (ppm)	Rb (%)
		3.94%	4108	1.40%
ARC103047, lepidolite pegmatite				
		2.55%	2532	0.96%
ARC103060, quartz, lepidolite pegmatite				
		3.29%	3093	1.26%
ARC103061, lepidolite pegmatite				
PEG009B				
		1.17%	3444	0.91%
ARC10353, quartz, mica pegmatite				
		3.84%	7224	1.87%
ARC10354, quartz, feldspar, mica pegmatite				

Photos of reference samples from PEG009A and PEG009B.

REFERENCES

Pioneer Dome: Refer Company's announcements to ASX 19 May 2016, 27 July 2016, 28 August 2016, 1 September 2016, 4 October 2016, 17 October 2016, 14 November 2016, 2 December 2016, 13 December 2016, 13 January 2017, 24 January 2017,

GLOSSARY

For descriptions of any technical terms that are not described within the report, the reader is directed to various internet sources such as Wikipedia (www.wikipedia.org) or Mindat (www.mindat.org)

COMPETENT PERSON

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook and Mr Paul Dunbar. Mr Crook is a full time employee of Pioneer Resources Limited and Mr Dunbar is a consultant to Pioneer Resources Limited. Both Mr Crook and Mr Dunbar are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and have 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 and Mr Dunbar consent 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 announcement 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.