



PIONEER RESOURCES LIMITED
ABN 44 103 423 981

2017

Full Financial Annual Report
For the year ended 30 June 2017

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PIONEER RESOURCES LIMITED

ABN 44 103 423 981

CORPORATE DIRECTORY

DIRECTORS

Craig Ian McGown
Independent Non-Executive Chairman

David John Crook
Managing Director

Dr Allan Trench
Independent Non-Executive Director

Thomas Wayne Spilsbury
Independent Non-Executive Director

COMPANY SECRETARY

Julie Anne Wolseley

PRINCIPAL REGISTERED OFFICE

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West Perth
Western Australia 6005

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AUDITOR

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth
Western Australia, 6000

SHARE REGISTRY

Security Transfer Australia Pty Limited
770 Canning Highway
Applecross
Western Australia, 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

SECURITIES EXCHANGE LISTING

The Company's shares are quoted on the Australian Securities Exchange. The Home Exchange is Perth.

ASX CODE

PIO - ordinary shares
PIOO – listed options exercisable at 6 cents each by 31 July 2018

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report on Pioneer Resources Limited and the entities it controlled at the end of and during the year ended 30 June 2017.

DIRECTORS

The names and details of the Directors of Pioneer Resources Limited during the financial year and until the date of this report are:

Craig Ian McGown – *B Comm, FCA, ASIA*
Independent Non-Executive Chairman

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 40 years experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown brings to the Board a comprehensive knowledge of equity and debt markets and financing of resource projects.

During the three year period to the end of the financial year, Mr McGown also holds a directorship with Sipa Resources Ltd (11 March 2015 to present).

David J Crook – *B.Sc, MAusIMM, MAIG, GAICD*
Managing Director

Mr Crook was appointed the inaugural Managing Director of the Company on 11 August 2003. Mr Crook is a geologist with over 35 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles including the Company's IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade working in operational gold mines. Prior to being employed by the Company his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production at the Gidgee Gold Mine, and exploration manager at Heron Resources Limited.

Allan Trench – *B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, FAusIMM, FAICD*
Independent Non-Executive Director

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including iron ore, nickel, copper, gold, lithium, oil & gas and also across a number of the minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd, Woodside Energy and with the independent mining & metals analysis global consultancy CRU Group. He is presently a Professor of Practice at the Business School, University of Western Australia and is also a Research Professor (Risk & Value) at the Centre for Exploration Targeting, University of Western Australia.

During the three year period to the end of the financial year, Dr Trench also held directorships in Hot Chili Ltd (19 July 2010 to present), Enterprise Metals Limited (3 April 2012 to present), Emmerson Resources Limited (3 March 2015 to present) and Trafford Resources Limited (7 May 2012 to 8 May 2015).

Thomas Wayne Spilsbury – *B.Sc (Hons), M.Sc (Applied Geology), APEGBC (P. Geo.), FAusIMM CP (Geo), MAIG, GAICD*
Independent Non-Executive Director

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M.Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 40 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia. It is through his role with International Lithium Corporation that Mr Spilsbury has significant experience in the exploration for and development of lithium projects.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

COMPANY SECRETARY

Julie Anne Wolseley – B.Com, CA

Ms Wolseley was appointed Company Secretary on 11 August 2003. Ms Wolseley is the principal of a corporate advisory company with over 20 years of experience acting as company secretary of a number of ASX listed public companies operating primarily in the resources sector. Previously Ms Wolseley was an audit manager both in Australia and overseas for an international accounting firm. Ms Wolseley also holds a directorship on the board of OM Holdings Limited.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year consisted of mineral exploration and development in Western Australia and Ontario, Canada.

There have been no significant changes in these activities during the financial year aside from the geographical location.

RESULTS OF OPERATIONS

The consolidated net loss after income tax for the financial year was \$2,522,555 (2016: consolidated net loss after income tax \$1,673,138) which included project exploration write-offs/write-downs of \$1,815,671.

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

REVIEW OF OPERATIONS AND ACTIVITIES

The consolidated entity recorded an operating loss after income tax for the year ended 30 June 2017 of \$2,522,555 compared to a consolidated operating loss after income tax of \$1,673,138 for the year ended 30 June 2016.

During the financial year the consolidated entity incurred a total of \$4,356,610 on exploration expenditure with a significant proportion of the exploration and evaluation expenditure expended at the Pioneer Dome Project (including the Sinclair Caesium Zone Deposit), the Mavis Lake and Raleigh Lake Lithium Projects in Canada, the Golden Ridge (Blair Mine) Nickel Project and regional Western Australian lithium projects.

Exploration write-downs totalled \$1,815,671 which related primarily to a write-down on a project considered at balance date to be non-core as well as tenements surrendered during the year. This compared to exploration write-offs of \$1,190,418 recorded in the prior year ended 30 June 2016.

On 21 July 2016 the Company raised total proceeds of \$1,518,298 (before issue costs) from the issue of 42,174,962 ordinary shares at an issue price of 3.6 cents each following an offer under the Company's Share Purchase Plan ("SPP"). In addition 14,058,215 free-attaching listed options were issued to eligible shareholders who participated in the SPP on a one for three basis with a fair value of \$190,208.

During the financial year ended 30 June 2017 the Company also issued the following securities as non-cash consideration:

- (i) On 23 September 2016 the Company issued 731,750 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as First Earn In Consideration under the Raleigh Lake Lithium Project Heads of Agreement.
- (ii) On 23 September 2016 the Company issued 2,133,409 ordinary shares at an issue price of 4.18 cents each to Milford Resources Pty Ltd following shareholder approval obtained on 13 September 2016.

On 1 July 2016 the Company issued 90,844,441 ordinary shares at an issue price of 3.6 cents per share under a placement to professional and sophisticated investors, which raised \$3,270,400 (before issue costs). The subscriptions funds were received on 30 June 2016. In addition 30,281,454 free-attaching listed options were issued on a one for three basis with a fair value of \$444,108 recorded in the prior financial year.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Corporate and Financial Position

As at 30 June 2017 the consolidated entity had cash reserves of \$2,240,670 (2016: \$5,098,260). The movement in cash is detailed in the Statement of Cash Flows on page 17 of this report. Subsequent to the end of the financial year \$1,055,000 (before issue costs) has been raised from capital raising initiatives outlined below in Events Subsequent to Balance Date.

The consolidated entity will continue to seek to commercialise the Sinclair Caesium Zone Deposit as well as further exploration programs including drilling programs at the Company's 100% owned Pioneer Dome Lithium Project and to advance exploration activities as the Company earns its project interest in the Canadian based Mavis Lake Lithium and Raleigh Lake Lithium Projects. Further exploration programs are planned later in the calendar year at the Blair Nickel Project as well as the Phillips River Lithium Project, Donnelly Lithium Project and Bogadi Lithium Project.

Business Strategies and Prospects

The consolidated entity currently has the following business strategies and prospects over the medium to long term:

- (i) Develop and commercialise the Sinclair Caesium Zone Deposit;
- (ii) Advance the consolidated entity's Pioneer Dome Lithium Project, Phillips River Lithium Project, Donnelly Lithium Project and Bogadi Lithium Project all located within Western Australia;
- (iii) Continue to explore as part of earning its project interest in the Canadian based Mavis Lake Lithium and Raleigh Lake Lithium Projects;
- (iv) Consider the Company's options with respect to cobalt opportunities identified at the Blair Dome;
- (v) Seek to increase the value of the consolidated entity's mineral assets located in Canada and Western Australia through exploration success; and
- (vi) Continue to examine new mineral opportunities, with particular focus on advanced projects with the potential to deliver early cash flow opportunities.

Risk Management

The Board is responsible for the oversight of the consolidated entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the consolidated entity are highlighted in the Business Plan and the Corporate Risk Register presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the consolidated entity.

EMPLOYEES

The consolidated entity employed 4 full-time employees as at 30 June 2017 (2016: 2 employees).

SHAREHOLDER RETURNS

	2017	2016
	Cents	Cents
Basic earnings/(loss) per share	(0.2)	(0.2)
Diluted earnings/(loss) per share	(0.2)	(0.2)
Share price – 30 June 2017 (30 June 2016)	1.7	3.5

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review except for:

Shares issued

- (i) On 1 July 2016 the Company issued 90,844,441 ordinary shares at an issue price of 3.6 cents per share under a placement to professional and sophisticated investors, which raised \$3,270,400 (before issue costs). The subscriptions funds were received on 30 June 2016.
- (ii) On 21 July 2016 the Company issued a total of 42,174,962 ordinary shares at an issue price of 3.6 cents each following an offer from the Company's Share Purchase Plan, which raised \$1,518,298 (before issue costs). In addition 14,058,215 free-attaching listed options were issued on a one for three basis with a fair value of \$190,208.
- (iii) On 23 September 2016 the Company issued 731,750 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as First Earn In Consideration under the Raleigh Lake Lithium Project Heads of Agreement.
- (iv) On 23 September 2016 the Company issued 2,133,409 ordinary shares at an issue price of 4.18 cents each to Milford Resources Pty Ltd following shareholder approval obtained on 13 September 2016.

OPTIONS OVER UNISSUED CAPITAL

During the financial year the Company granted the following options over unissued shares:

Issued To	Number of Options Granted	Exercise Price per Option	Expiry Date	Value per Option at Grant date	Value of Options Granted
Shareholders	14,058,215 (i)	6 cents	31 July 2018	1.353 cents	\$190,208
Broker options	3,270,400 (ii)	5.4 cents	4 September 2018	2.467 cents	\$80,861
Directors	6,000,000 (ii)	6 cents	31 July 2018	1.353 cents	\$81,180
Total	23,328,615				\$352,249

- (i) listed options
- (ii) unlisted options

Further details on the value per options are disclosed in Note 13(d).

During the year no options were exercised. No options were exercised subsequent to the end of the financial year and up until the date of this report.

During the year no options expired. No options have expired subsequent to the end of the financial year and up until the date of this report.

As at the date of this report unissued ordinary shares of the Company under option and fully vested are:

	<i>Number of Options</i>	<i>Exercise Price per Option</i>	<i>Expiry Date</i>
	30,000,000 (unlisted)	30 cents	15 October 2017
	5,000,002 (unlisted)	2.6 cents	30 April 2018
	5,500,001 (unlisted)	5 cents	30 April 2018
	5,499,997 (unlisted)	7.5 cents	30 April 2018
	44,339,669 (listed)	6 cents	31 July 2018
	6,000,000 (unlisted)	6 cents	31 July 2018
	3,270,400 (unlisted)	5.4 cents	4 September 2018
TOTAL	99,610,069		

The above options represent unissued ordinary shares of the Company under option as at the end of the financial year and as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

The names of all persons who currently hold options granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001*, and the register may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

CORPORATE STRUCTURE

Pioneer Resources Limited (ACN 103 423 981) is a company limited by shares that was incorporated on 17 January 2003 and is domiciled in Australia. The Company has prepared a consolidated financial report including the entities it controlled during the financial year, Western Copper Pty Ltd and Golden Ridge North Kambalda Pty Ltd. Western Copper Pty Ltd (ACN 114 863 928) was incorporated on 21 June 2005 and Golden Ridge North Kambalda Pty Ltd (ACN 159 539 983) was incorporated on 18 July 2012.

On 11 July 2016 Pioneer Canada Lithium Corp. was incorporated in British Columbia as a wholly owned entity of the Company.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years other than market announcements released to the Australian Securities Exchange since balance date and subsequent to the end of the financial year except for the following:

Share Issues

- (i) On 14 July 2017 the Company issued 2,073,075 ordinary shares at a deemed issued price of 1.85 cents per share to International Lithium Corp as a first anniversary consideration under the Mavis Lake Lithium Project Heads of Agreement.
- (ii) On 14 July 2017 the Company issued 1,406,807 ordinary shares at an issue price of 2.13 cents each to Milford Resources Pty Ltd following the grant of two exploration licences.
- (iii) On 14 September 2017 the Company announced it had completed a share placement of 75,357,142 ordinary shares at an issue price of 1.4 cents per share which raised \$1,055,000 (before issue costs). The shares were issued to institutional and sophisticated investors in accordance with the Corporations Act 2001. In addition the Directors of the Company also committed to participate in the placement comprising 17,500,000 ordinary shares at an issue price of 1.4 cents each to raise \$245,000 which is subject to shareholder approval to be considered at the Annual General Meeting in November 2017. The funds raised will be applied to undertake additional exploration for caesium and lithium at the Pioneer Dome Project, incrementally fund the commercialisation of the Sinclair Caesium Zone Deposit and to augment working capital.
- (v) On 14 September 2017 the Company announced it would be offering ordinary shares at an issue price of 1.4 cents per share to eligible shareholders under the Company's Share Purchase Plan. The offer opened on 18 September 2017 and will close on or around 9 October 2017 and is seeking to raise up to \$1,000,000.
- (vi) On 18 September 2017 the Company issued 735,662 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as first anniversary consideration under the Raleigh Lake Lithium Project Heads of Agreement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the consolidated entity are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the consolidated entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no material breach of the consolidated entity's licence conditions and all exploration activities comply with relevant environmental regulations.

EMPLOYEE DIVERSITY

Women currently represent 25% of employees in the Company as a whole and 50% of the full time employees.

ABORIGINAL CULTURE AND HERITAGE

The consolidated entity is subject to and compliant with all aspects of Aboriginal Heritage regulation in respect of its exploration and development activities. The Directors are not aware of any regulation which is not being complied with. The Directors are committed to cultural respect in undertaking the business activities of the consolidated entity.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Title	Directors' Interests in Ordinary Shares	Directors' Interests in Listed Options	Directors' Interests in Unlisted Options
Craig I McGown	Independent Non-Executive Chairman Appointed on 13 June 2008	8,071,427	138,888	4,500,000
David J Crook	Managing Director Appointed on 11 August 2003	9,922,910	138,888	9,500,000
Allan Trench	Independent Non-Executive Director Appointed on 8 September 2003	3,340,330	50,000	2,500,000
Thomas W Spilsbury	Independent Non-Executive Director Appointed on 4 January 2010	4,438,093	138,888	2,000,000

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings		Short Notice Meetings	
	Held	Attended	Held	Attended
C I McGown	11	11	5	5
D J Crook	11	11	5	5
A Trench	11	10	5	5
T W Spilsbury	11	11	5	5

During the financial year there were eleven general Directors' meetings for which formal notice of meeting was given. In addition, there were five Directors' meetings called for specific purposes.

REMUNERATION REPORT - AUDITED

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2017. The information provided in this report has been audited as per the requirements of section 308(3C) of the *Corporations Act 2001* (Cth).

The report is set out under the following main headings:

- Key management personnel;
- Principles used to determine the components and amount of compensation;
- Details of remuneration;
- Details of share-based compensation; and
- Details of service agreements and employment contracts.

Key Management Personnel

For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly. The key management personnel during the year were:

- Craig McGown – Non-Executive Chairman
- David Crook – Managing Director
- Allan Trench – Non-Executive Director
- Thomas Wayne Spilsbury – Non-Executive Director
- Nigel Brand – Consultant Geochemist
- Paul Dunbar – Consultant Geologist

Dr Nigel Brand *B.Sc (Hons), Ph.D, M.Sc (Geochemistry)*

Dr Brand worked for WMC Resources for eleven years until 1999. During his time at WMC he worked throughout the Norseman-Wiluna Greenstone belt on various regional Ni & Au exploitation programs and at WMC operations at Norseman, Kambalda, Kalgoorlie, Leinster and Mt Keith. He completed his PhD in 1997 on weathering process associated with nickel sulphides. On leaving WMC, Dr Brand joined Anglo American for four and a half years as their geochemist in the Asian-Pacific region, including India, Philippines and Australia exploring for Zn, Ni and Cu-Au PC/IOCG deposits. In January 2005 Dr Brand established an independent geochemical consulting Geochemical Services Pty Ltd to provide hands-on and applied geochemical expertise to international mineral exploration.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Overview of Remuneration Policy (Continued)

Paul Dunbar *BSc Geol (Hons), MSc, MAusIMM, MAIG*

Mr. Dunbar is an exploration geologist with a BSc (Hons) from Curtin University and an MSc (Mineral exploration and evaluation) from Queens University in Canada. Mr Dunbar has over 20 years' experience in exploration for gold, base metals, nickel and uranium both within Australia and internationally having worked for Barrick Gold and Westgold Limited, Abra Mining Limited and Energy Metals Limited. Mr Dunbar ceased to provide services to the Company as at 31 July 2017.

The Board undertook its annual review of its Corporate Governance Policies and Procedures during the financial year and considered the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition) which was released on 27 March 2014. Following this review, the Board resolved to form a Remuneration Committee comprising Mr T Spilsbury as chairman and Messrs C McGown and A Trench as members. The Remuneration Committee has met once during the financial year.

This report details the amount and nature of remuneration of the key management personnel including each Director of the Company and Dr Nigel Brand and Mr Paul Dunbar consultants to the Company.

Overview of Remuneration Policy

The Remuneration Committee (and previously the Board of Directors) is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The overall remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Remuneration Committee believes that the best way to achieve this objective is to provide the Managing Director and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the Managing Director has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the government, which is currently 9.5% per annum and do not receive any other retirement benefit. Some Directors, however, have chosen to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Company and expensed. Options are valued using the Black-Scholes or Binomial valuation methodology. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

The relative proportions of those elements of remuneration of the Directors' remuneration are all fixed remuneration with the exception of the Managing Director's bonus that is linked to the Company's performance. Fees for Non-Executive Directors are not linked to the performance of the Company.

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The annual aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 19 November 2009 and is not to exceed \$400,000 per annum. Actual remuneration paid to the Company's Non-Executive Directors is disclosed below. Remuneration fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and have in limited circumstances received options.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Overview of Remuneration Policy (Continued)

Managing Director and Senior Management

The remuneration of the Managing Director is dictated by his executive service agreement.

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Company; and
- Ensure that total remuneration is competitive by market standards.

Remuneration policy and relationship between the remuneration policy and Company Performance

The Company's remuneration policy for the Managing Director is designed to promote superior performance and long term commitment to the Company. The main principles of the policy when considering remuneration are as follows:

- the Managing Director is motivated to pursue long term growth and success of the Company within an appropriate control framework;
- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

Remuneration consists of the following key elements:

- Fixed remuneration;
- Fixed remuneration levels dictated by benchmark criteria;
- Performance-based bonusable achievements; and
- Issuance of unlisted options

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2017.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits eg. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff who report directly to the Managing Director are based on the recommendation of the Managing Director, subject to the approval of the Board in the annual budget setting process.

Remuneration Benchmarks – Managing Director only

The remuneration of the Managing Director includes bonusable achievements linked to benchmarks associated with the Company's operational targets. These targets consist of a number of key performance indicators including acquisition or discovery of a significant economic mineral resource, enhancing corporate credibility and creation of value for shareholders.

At the end of the calendar year the Board assesses the actual performance of the consolidated entity and individual against the key performance indicators previously set. Any cash incentives and/or options granted require Board approval. Options proposed to be granted to the Managing Director also require shareholder approval.

Potential discretionary bonus

A potential discretionary bonus may be paid to the Managing Director. Any potential bonus paid is at the discretion of the Board (excluding the Managing Director) and will typically be made in recognition of contribution to the Company's performance and other significant efforts of the Managing Director in applicable and appropriate circumstances. Based upon achievement of prescribed key performance indicators a discretionary cash bonus was paid during or with regard to the calendar year ended 31 December 2016. No discretionary bonuses were paid during the year ended 30 June 2016.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Overview of Remuneration Policy (Continued)

Service Agreement

The Managing Director, Mr David Crook is employed under contract. The current Service Agreement was executed on 21 February 2012.

Under the terms of the present contract:

The Service Agreement has no fixed term.

- Mr Crook may resign from his position and thus terminate the contract by giving two months written notice. On resignation any options that have not yet vested will lapse.
- The Company may terminate the contract by providing two months written notice or provide payment in lieu of notice by the Company. Any options that have vested, or will vest during the notice period will be released, whilst the options that have not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause, any unvested options will immediately lapse.
- If the Managing Director and the Company agree to terminate the contract by mutual consent, or if the Managing Director is removed, or if the Company enters into a deed of arrangement with creditors, placed under the control of receivers or is in breach of regulations, the Company will pay a sum to the Managing Director calculated in accordance with section 200G9(3) of the *Corporations Act 2001*.

Details of the nature and amount of each element of the emoluments of each key management personnel of Pioneer Resources Limited paid/accrued during the year were as follows:

2017

Key Management Personnel	Primary			Post Employment	Equity Compensation (Non-cash)	Other	Total
	Base Emolument/Fees	Motor Vehicle	Cash Bonus *	Superannuation/ Salary Sacrifice Contributions	Options	Insurance	
	\$	\$	\$	\$	\$	\$	\$
C I McGown (Non – Executive Chairman) (i)	75,000	-	-	-	27,060	-	102,060
D J Crook (Managing Director)	274,618	15,000	47,489	30,600	27,060	12,697	407,464
A Trench (Non-Executive Director)	50,228	-	-	4,772	13,530	-	68,530
T W Spilsbury (Non-Executive Director) (ii)	55,000	-	-	-	13,530	-	68,530
N. Brand Consultant Geochemist (iii)	221,676	-	-	-	-	-	221,676
P. Dunbar Consultant Geologist (iv)	197,100	-	-	-	-	-	197,100
Total	873,622	15,000	47,489	35,372	81,180	12,697	1,065,360

(i) Mr McGown's fees were paid to Resource Investment Capital Advisors Pty Ltd.

(ii) Mr Spilsbury's fees were paid to GeoDuck Pty Ltd.

(iii) Dr Brand's fees were paid to Geochemical Services Pty Ltd. In addition Milford Resources Pty Ltd an entity controlled by Dr N Brand was paid \$35,850 cash and issued with 2,133,409 shares at a deemed issue price of 4.18 cents per share for services provided in relation to technical advice provided to the Company in relation to applying for tenements. The share issue was approved by Shareholders on 13 September 2016. Subsequent to the end of the financial year the Company also issued 1,406,807 ordinary shares at an issue price of 2.13 cents each to Milford Resources Pty Ltd with respect to the grant of two exploration licences.

(iv) Mr Dunbar's fees were paid to Dunbar Resource Management Pty Ltd.

* Mr Crook's cash bonus was paid based upon the Board's assessment of his performance taking into consideration the attainment of his key performance indicators.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

2016

Key Management Personnel	Primary			Post Employment	Equity Compensation (Non-cash)	Other	Total
	Base Emolument/Fees \$	Motor Vehicle \$	Cash Bonus \$	Superannuation/ Salary Sacrifice Contributions \$	Options \$	Insurance \$	
C I McGown (Non – Executive Chairman) (i)	70,313	-	-	-	-	-	70,313
D J Crook (Managing Director)	257,454	15,000	-	24,458	-	12,154	309,066
A Trench (Non-Executive Director)	46,874	-	-	4,688	-	-	51,562
T W Spilsbury (Non-Executive Director) (ii)	51,562	-	-	-	-	-	51,562
N. Brand Consultant Geochemist (iv)	167,415	-	-	-	-	-	167,415
Total	593,618	15,000	-	29,146	-	12,154	649,918

(i), (ii) and (iv) refer above.

Option remuneration as a percentage of total remuneration for the year ended 30 June 2017 for CI McGown was 26% (30 June 2016: 0%), for DJ Crook was 7% (30 June 2016: 0%), for A Trench 20% (30 June 2016: 0%) and TW Spilsbury 20% (30 June 2016: 0%).

Other than the key management personnel disclosed above there were no other executive officers who received emoluments during the financial years ended 30 June 2017 or 30 June 2016.

The number of ordinary shares and unlisted options Dr Brand holds a relevant interest in (including closely related parties) are as follows:

	Ordinary Shares	Unlisted Options	Listed Options
30 June 2017	6,674,293	10,000,000	100,000
30 June 2016	2,924,077	10,000,000	-

On 14 July 2017 the Company issued 1,406,807 ordinary shares at an issue price of 2.13 cents each to Milford Resources Pty Ltd (a closely related party of Dr Brand) following the grant of two exploration licences.

Mr Dunbar held no shares or options in the Company as at 30 June 2017 and 30 June 2016.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

ANALYSIS OF OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Details of vesting profiles of the options granted as remuneration to each of the Directors affecting remuneration in the current or future reporting periods are as follows:

Director	Number of Options	Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price per Option (Cents)	Value per Option at Grant Date (Cents)	% Vested in Year
CI McGown	833,334	30 April 2015	30 April 2015	30 April 2018	2.6	1.457	100%
	833,333	30 April 2015	30 April 2015	30 April 2018	5.0	1.34	100%
	833,333	30 April 2015	30 April 2015	30 April 2018	7.5	1.258	100%
	2,000,000	12 October 2016	12 October 2016	31 July 2018	6.0	1.353	100%
DJ Crook	2,500,000	30 April 2015	30 April 2015	30 April 2018	2.6	1.457	100%
	2,500,000	30 April 2015	30 April 2015	30 April 2018	5.0	1.34	100%
	2,500,000	30 April 2015	30 April 2015	30 April 2018	7.5	1.258	100%
	2,000,000	12 October 2016	12 October 2016	31 July 2018	6.0	1.353	100%
A Trench	500,000	30 April 2015	30 April 2015	30 April 2018	2.6	1.457	100%
	500,000	30 April 2015	30 April 2015	30 April 2018	5.0	1.34	100%
	500,000	30 April 2015	30 April 2015	30 April 2018	7.5	1.258	100%
	1,000,000	12 October 2016	12 October 2016	31 July 2018	6.0	1.353	100%
TW Spilsbury	500,000	30 April 2015	30 April 2015	30 April 2018	5.0	1.34	100%
	500,000	30 April 2015	30 April 2015	30 April 2018	7.5	1.258	100%
	1,000,000	12 October 2016	12 October 2016	31 July 2018	6.0	1.353	100%

INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. Disclosure of the nature of the liability cover is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Company's auditors Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

At the Annual General Meeting held on 13 November 2013 shareholders approved the appointment of Deloitte Touche Tohmatsu as the auditor of the Company.

Fees for non-audit services comprising tax services were paid/payable to Deloitte Tax Services Pty Ltd during the year ended 30 June 2017 totalling \$48,979 (30 June 2016 \$117,778).

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Board of Pioneer Resources Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly information about the Company's Corporate Governance practices is set out on the Company's website at www.pioresources.com.au

DATED at Perth this 28 September 2017
Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'D Crook', written over a horizontal line.

D J Crook
Managing Director

The Board of Directors
Pioneer Resources Limited
21 Ord Street
West Perth WA 6005

28 September 2017

Dear Board Members

Pioneer Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Resources Limited.

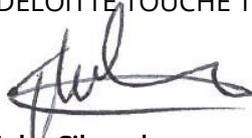
As lead audit partner for the audit of the financial statements of Pioneer Resources Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler
Partner
Chartered Accountants

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

CONSOLIDATED

	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Continuing Operations			
Other income	2	<u>843,034</u>	583,005
Total revenue	2	<u>843,034</u>	583,005
Employee expenses		(891,285)	(510,719)
Exploration expenditure written off	3	(1,815,671)	(1,190,418)
Non-Executive Directors' fees		(185,000)	(173,437)
Insurance expenses		(56,228)	(48,831)
Rental expense on operating leases	3	(105,564)	(102,114)
Corporate expenses		(153,450)	(156,719)
Depreciation	3	(17,176)	(20,615)
Expense of share-based payments	3	(81,180)	-
ASIC/ASX fees		(61,722)	(78,113)
Legal expenses		(58,111)	(56,756)
Public relations		(47,242)	(41,125)
Other fees – paid/payable to the auditor		(74,685)	(142,722)
Cost base of 20% interest in the Acra Project		(391,900)	-
Costs recharged to capitalised exploration		155,674	137,556
Employee costs recharged to capitalised exploration		678,300	298,429
Corporate advisory expenses		(47,500)	(6,000)
Conferences/seminars		(46,413)	(35,668)
Other expenses	3	<u>(166,436)</u>	(128,891)
Loss before income tax		(2,522,555)	(1,673,138)
Income tax	5	-	-
Net loss from continuing operations	16	<u>(2,522,555)</u>	(1,673,138)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Company		<u>(2,522,555)</u>	(1,673,138)
Earnings/(loss) per share (cents per share)			
Basic earnings/(loss) per share (cents per share)	22	<u>(0.24)</u>	(0.22)
Diluted earnings/(loss) per share (cents per share)	22	<u>(0.24)</u>	(0.22)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		CONSOLIDATED	
	NOTE	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	23(a)	2,240,670	5,098,260
Other receivables	6	448,767	521,689
Other financial assets	7	193,484	428,242
TOTAL CURRENT ASSETS		2,882,921	6,048,191
NON-CURRENT ASSETS			
Investments	8	-	-
Plant and equipment and motor vehicles	9	40,851	21,928
Capitalised mineral exploration	10	10,088,731	8,025,942
TOTAL NON-CURRENT ASSETS		10,129,582	8,047,870
TOTAL ASSETS		13,012,503	14,096,061
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	599,832	645,963
Provisions	12	143,574	127,058
TOTAL CURRENT LIABILITIES		743,406	773,021
TOTAL LIABILITIES		743,406	773,021
NET ASSETS		12,269,097	13,323,040
EQUITY			
Contributed equity	13(a)	34,332,598	32,988,552
Share option reserve	14	1,247,262	895,193
Fair value reserve	14	54,726	282,229
Accumulated losses	15	(23,365,489)	(20,842,934)
TOTAL EQUITY	16	12,269,097	13,323,040

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Notes	Contributed Equity \$	Share Option Reserve \$	Fair Value Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2015		27,791,828	553,025	-	(19,289,796)	9,055,057
TOTAL COMPREHENSIVE INCOME	15	-	-	-	(1,673,138)	(1,673,138)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year (net of transaction costs)	13(b)	5,189,439	-	-	-	5,189,439
Exercise of Director options	14	7,285	(7,285)	-	-	-
Fair value of free attaching options	14	-	469,453	-	-	469,453
Transfer from share option reserve re: expired options	14	-	(120,000)	-	120,000	-
Fair value adjustment of investments	14	-	-	282,229	-	282,229
BALANCE AT 30 JUNE 2016		32,988,552	895,193	282,229	(20,842,934)	13,323,040
TOTAL COMPREHENSIVE INCOME	15	-	-	-	(2,522,555)	(2,522,555)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued for cash during the year (net of transaction costs)	13(b)	1,500,772	-	-	-	1,500,772
Fair value of free attaching options	13(e)	(190,208)	190,208	-	-	-
Shares issued not for cash during the period (net of transaction costs)	13(b)	114,163	-	-	-	114,163
Options issued in lieu of transaction costs	13(e)	(80,681)	80,681	-	-	-
Director options issued during the year	13(e)	-	81,180	-	-	81,180
Fair value adjustments of investments	14	-	-	(227,503)	-	(227,503)
BALANCE AT 30 JUNE 2017	16	34,332,598	1,247,262	54,726	(23,365,489)	12,269,097

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

		CONSOLIDATED	
	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Cash flows from operating activities			
Interest received		96,228	41,411
Other income		2,329	81,201
R & D tax incentive received		464,031	147,538
Payments to suppliers and employees (inclusive of goods and services tax)		(1,140,699)	(926,814)
Net cash used in operating activities	23(b)	(578,111)	(656,664)
Cash flows from investing activities			
Payments for exploration and evaluation		(4,036,310)	(1,790,982)
Proceeds from the sale of 20% of the Acra Gold Project		500,000	-
Payments for International Lithium Corp. investments		-	(106,168)
Payments for plant and equipment and motor vehicles		(37,716)	-
Net cash used in investing activities		(3,574,026)	(1,897,150)
Cash flows from financing activities			
Proceeds from the issue of shares		1,518,298	5,977,212
Payments for transaction costs relating to the issue of shares		(223,751)	(150,924)
Net cash provided by financing activities		1,294,547	5,826,288
Net (decrease)/increase in cash held		(2,857,590)	3,272,474
Cash at the beginning of the financial year		5,098,260	1,825,786
Cash at the end of the financial year	23(a)	2,240,670	5,098,260

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Pioneer Resources Limited and its controlled entities ("consolidated entity"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated. Separate financial statements for Pioneer Resources Limited as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*, however, required financial information for Pioneer Resources Limited is included in Note 25.

Pioneer Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The Company is a for profit entity. The financial statements are presented in Australian dollars which is the Company's functional currency.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors on 28 September 2017.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the discharge of liabilities in the ordinary course of business.

The consolidated entity incurred a loss for the year of \$2,522,555 (2016: operating loss \$1,673,138) and incurred net cash outflows from operating and investing activities of \$4,152,137 (2016: net cash outflows of \$2,553,814). Cash and cash equivalents totaled \$2,240,670 as at 30 June 2017.

As at 30 June 2017, the consolidated entity had a working capital surplus of \$2,139,515 (2016: \$5,275,170). Subsequent to balance date the consolidated entity has also supplemented its cash position having raised \$1,055,000 (before issue costs) and a Share Purchase Plan is currently open to eligible shareholders of the Company. Further details are outlined in Note 28.

The Directors have prepared a cash flow forecast for the period ending 30 September 2018, which indicates that the consolidated entity will have sufficient cash flows to meet its commitments and working capital requirements for the 12 month period from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate because:

- The Directors have an appropriate plan to raise additional funds as and when they are required. In light of the consolidated entity's current exploration projects, the Directors believe that the additional capital required can be raised in the market.
- The Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

Should the consolidated entity not achieve the matters set out above, there is a material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

(c) Statement of Compliance

The Financial Report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Basis of Consolidation

Controlled Entity

The consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its subsidiaries as at 30 June each year.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.

The acquisition of the subsidiaries have been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiary for the period from their acquisition.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the consolidated entity's share of the profit or loss and other comprehensive income of the associate or joint venture. When the consolidated entity's share of losses of an associate or a joint venture exceeds the consolidated entity's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the consolidated entity's net investment in the associate or joint venture), the consolidated entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the consolidated entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

In the consolidated entity's financial statements, investments in joint ventures are carried at cost. Details of these interests are shown in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Significant Accounting Judgements, Estimates and Assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 – Financial assets and investments
Available for sale financial assets, comprising marketable securities are assets which management may dispose of within the next 12 months.
- Note 10 – Capitalised Mineral Expenditure
The accounting policy for exploration and evaluation expenditure is set out in Note 1 (l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes or Binomial valuation model, using the assumptions detailed in Note 13(d).

Use of estimates

The Directors have considered a number of factors in regard to any forward looking estimates. During the reporting period, the consolidated entity incurred a net loss after tax of \$2,522,555 (2016: \$1,673,138 and incurred net cash outflows from operating and investing activities of \$4,152,137 (2016: \$2,553,814). As at 30 June 2017 the consolidated entity had net assets of \$12,269,097 (2016: \$13,323,040) and net current assets of \$2,139,515 (2016: net current assets - \$5,275,170).

The use of estimates is inherently uncertain and requires a significant level of judgement. Forward looking estimates have been used in the preparation of the financial report in respect of the impairment of exploration assets and the preparation of the financial report on a going concern basis.

Management and the Directors have concluded that appropriate assessments have been made with respect to the use of forecasts in the preparation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) **Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

For the purposes of income taxation, Pioneer Resources Limited and its 100% wholly-owned controlled entities have formed a tax consolidated group with effect from 1 July 2014.

(g) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Tenement bonds in the form of cash deposits are held as security with the Mines Department authorities. All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise of cash at bank and on hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(i) Trade and Other Receivables

Receivables which generally have 30-90 day terms, are recognised and carried at original invoice amount less if required an allowance for any uncollectible amounts.

Non-current loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(j) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The consolidated entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

(i) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as either financial assets at fair value through profit or loss, loans and receivables or held to maturity investments. After initial recognition available for sale investments are measured at fair value with gains or losses being recognised directly in equity, until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to maturity when the consolidated entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost, using the effective interest method less impairment. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Plant and Equipment – recognition and measurement

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets, are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant and equipment 20 - 33%
- Motor vehicles 22.5%

(l) Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) **Exploration and Evaluation Expenditure (Continued)**

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (refer impairment accounting policy Note 1 (m) below).

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.

Any grants approved by the Government of Western Australian under the Exploration Incentive Scheme ("EIS") Co-Funded Industry Drilling Program are offset against exploration drilling expenditure incurred at the consolidated entity's approved designated project.

(m) **Impairment of Assets**

At each reporting date the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(n) **Employee Entitlements**

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for long service leave are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(o) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Trade and other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(r) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(s) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

(t) Share-based payment transactions

The consolidated entity provides benefits to employees (including Directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuation using the Black-Scholes or Binomial option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pioneer Resources Ltd ("market conditions").

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the consolidated entity acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) New, revised or amending Accounting Standards

Amendments to Accounting Standards that are mandatory for the current year

In the current year, the Company has applied the below applicable amendments to Standards issued by the AASB that are mandatorily effective for an accounting period that begins on or after 1 July 2016, and therefore relevant for the current year end.

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify the principle in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset.

As the Company already uses the straight-line method for depreciation for its plant and equipment, the application of these amendments has had no impact on the Company's financial statements.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. The amendments impact various Standards. Those applicable to the Company are summarised below:

The amendments to AASB 7 'Financial Instruments: Disclosures' remove the requirement to provide disclosures relating to offsetting financial assets and financial liabilities in interim financial reports and provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to AASB 119 'Employee Benefits' clarify that the rate used to discount postemployment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (ie. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The amendments to AASB 134 'Interim Financial Reporting' make provision for disclosures required by the Standard to be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

The application of these amendments has had no effect on the consolidated entity's financial statements.

AASB 2015-2 Disclosure Initiative Amendment to AASB 101 - This Standard amends AASB 101. The amendments clarify that an entity need not provide a specific disclosure required by a Standard if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in a Standard is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

The application of this amendment has not had a material presentation impact on the financial performance or financial position of the consolidated entity.

Adoption of these standards did not have any material effect on the Statement of Financial Performance, Statement of Comprehensive Income and Statement of Financial Position of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) New, revised or amending Accounting Standards (Continued)

New and revised Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2017. At this time the following standards and interpretations may have an impact, but the extent of this is not expected to be material:

AASB 2016-1 Recognition of Deferred Tax Assets for Unrealised Losses - The amendments to AASB 112 Income Taxes clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. Effective for annual periods beginning on or after 1 January 2017, expected to be initially applied in the financial year ending 30 June 2018.

AASB 2016-2 Disclosure Initiative - The amendments to AASB 107 Statement of Cash Flows require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses), expected to be initially applied in the financial year ending 30 June 2018.

AASB 9 Financial Instruments - A new Principal standard which replaces AASB 139. This new Principal version includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. Effective for annual periods beginning on or after 1 January 2018, expected to be initially applied in the financial year ending 30 June 2019.

AASB 15 Revenue from Contracts with Customers. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Effective for annual periods beginning on or after 1 January 2018. As the consolidated entity is not generating revenue, there is no impact on current reporting but if this should change, expected to be initially applied in the financial year ending 30 June 2019.

AASB 16 Leases. AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases. Effective for annual periods beginning on or after 1 January 2019, expected to be initially applied in the financial year ending 30 June 2020.

AASB 2016-5 'Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions', effective for annual reporting periods beginning on or after 1 January 2018, expected to be initially applied in the financial year ending 30 June 2019.

AASB 2017-2 'Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle', effective for annual reporting periods beginning on or after 1 January 2017, expected to be initially applied in the financial year ending 30 June 2018.

At this time the following interpretation may have an impact, but the extent of this has not been determined:

Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. Effective for annual periods beginning on or after 1 January 2019, expected to be initially applied in the financial year ending 30 June 2020.

(v) Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain the capital structure to reduce the cost of capital. The net assets of the consolidated entity are equivalent to capital. Net capital is obtained through capital raising initiatives on the Australian Securities Exchange or the sale of assets.

The Board of Directors reviews the requirement for capital on a regular basis. However, at present no formal targets are in place for a return on capital, or for gearing ratios, as the consolidated entity has not derived any income from its mineral exploration and currently has no debt facilities in place.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(x) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(y) Comparative Figures

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

		CONSOLIDATED	
		<u>2017</u>	<u>2016</u>
		\$	\$
2.	OTHER INCOME		
	Other Income		
	Proceeds from the sale of 20% interest in the Acra Project	500,000	-
	Interest	98,008	37,773
	Other income – R & D tax incentive	242,697	454,965
	Sundry other income	2,329	90,267
		<u>843,034</u>	<u>583,005</u>
3.	(a) EXPENSES		
	Exploration expenditure written off	1,815,671	1,190,418
	Contributions to employees superannuation plans	78,171	47,749
	Depreciation - Plant and equipment	16,878	9,871
	- Motor vehicles	298	10,744
		<u>17,176</u>	20,615
	Rental expense on operating leases	105,564	102,114
	Unrealised foreign exchange loss	9,085	2,899
	Share based payments expense	81,180	-
	Provision for employee entitlements	16,517	11,712
		<u>166,436</u>	<u>128,891</u>
	(b) OTHER EXPENSES		
	Computer software/support	13,704	16,778
	Realised foreign exchange loss	20,062	-
	Travel	34,893	27,903
	Other direct operating expenses	97,777	84,210
		<u>166,436</u>	<u>128,891</u>
4.	AUDITORS' REMUNERATION		
	Audit Services		
	Audit and review of the consolidated entity's financial statements – Deloitte Touche Tohmatsu	25,706	24,944
	Other Services		
	Other services - Deloitte Tax Services Pty Ltd – tax services	48,979	117,778
		<u>74,685</u>	<u>142,722</u>
5.	INCOME TAX		

No income tax is payable by the consolidated entity as it has incurred losses for income tax purposes for the year, so current tax, deferred tax and tax expense is \$Nil (2016 - \$Nil).

(a) Tax expense

		CONSOLIDATED	
		<u>2017</u>	<u>2016</u>
		\$	\$
	Current tax expense – current period	-	-
	Deferred tax expense	-	-
		<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

5. INCOME TAX (Continued)

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from continuing operations	<u>(2,522,555)</u>	<u>(1,673,138)</u>
Tax/(benefit) at the Australian tax rate of 27.5% (2016: 28.5%)	(693,703)	(476,844)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments expense	22,324	-
Other non-deductible expenditure	20,311	16,404
Deductible capital raising costs	(29,492)	(30,807)
Non-assessable income	(66,742)	(132,248)
Deferred tax asset not brought to account	<u>747,302</u>	<u>623,495</u>
Income tax expense	<u>-</u>	<u>-</u>
(c) Tax losses		
Total tax losses for which no deferred tax asset has been recognised	<u>37,473,197</u>	<u>34,004,620</u>
Potential tax benefit at 27.5% (2016:28.5%)	<u>10,305,129</u>	<u>9,691,316</u>

In 2016, the Federal Government enacted a change in the income tax rate for small business entities from 30% to 27.5%. The Company satisfied the criteria to be a small business entity.

The consolidated entity entered into a tax consolidated group with effect from 1 July 2014.

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
(d) Unrecognised Deferred Tax Assets and Liabilities at 27.5% (2016: 28.5%)		
Unrecognised deferred tax assets comprise:		
Capital raising costs	89,189	95,007
Leave provisions	39,483	36,212
Tax losses available for offset against future taxable income	<u>7,763,735</u>	<u>7,393,023</u>
	<u>7,892,407</u>	<u>7,524,242</u>
Deferred tax liabilities comprise:		
Capitalised mineral exploration and evaluation expenditure	2,529,508	2,287,393
Prepayments	11,886	10,900
Tax losses carried forward	<u>(2,541,394)</u>	<u>(2,298,293)</u>
	<u>-</u>	<u>-</u>
(e) Franking credits balance		

The consolidated entity has no franking credits available as at 30 June 2017 (2016: \$Nil).

(f) Exploration development incentive (EDI)

During the 30 June 2017 reporting year the Company did not participate in the Federal Government's EDI Scheme. In the prior 30 June 2016 reporting year the Company participated in the Federal Government's EDI Scheme related to the 2014-2015 tax year. The EDI Scheme enabled eligible exploration companies to create explorations credits ("EDI Credits") by giving up a portion of its tax losses and distributing those EDI Credits to its shareholders. The Company's maximum EDI Credit amount was \$372,371 for the year ended 30 June 2015, which it distributed on 30 June 2016 to eligible shareholders on a pro rata basis equating to 0.4132 cents per share based on 900,981,591 ordinary shares on issue at the pre-determined record date. There was no financial effect on the Company's taxation position for the 30 June 2016 reporting year however carry forward tax losses were reduced to reflect the exploration credits distributed to eligible shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	2017	2016
	\$	\$
6. OTHER RECEIVABLES		
Current		
ATO – R & D tax incentive	242,697	454,965
Exploration incentive scheme	86,250	9,065
GST recoverable	108,497	48,081
Tenement and rental bonds	5,900	4,500
Accrued interest	5,423	3,643
Sundry receivables	-	1,435
	<u>448,767</u>	<u>521,689</u>

7. OTHER FINANCIAL ASSETS

Current

	CONSOLIDATED	
	2017	2016
	\$	\$
Prepayments	43,222	38,244
Available-for-sale investments carried at fair value:		
Investment in TSX listed company – International Lithium Corp (“ILC”) (i)		
- listed shares	125,125	283,990
- unlisted warrants	23,787	101,508
Investment in ASX listed company – Bass Metals Limited (ii)	1,350	4,500
	<u>150,262</u>	<u>389,998</u>
	<u>193,484</u>	<u>428,242</u>

(i) As at 30 June 2017 the Company held 1,250,000 common shares in ILC and 625,000 warrants exercisable at C\$0.12 each by 16 March 2019. The fair value of the listed shares was determined at balance date by reference to the quoted closing share price on the TSX. The fair value of the unlisted warrants was determined using a Black Scholes option valuation methodology.

(ii) As at 30 June 2017 (and 30 June 2016) the Company held 150,000 ordinary shares. The fair value of the listed shares was determined at balance date by reference to the quoted closing share price on the ASX.

8. INVESTMENTS

Non-Current

Pioneer Resources Limited holds investments in Western Copper Pty Ltd and Golden Ridge North Kambalda Pty Ltd. The respective investments are each held at a cost of \$5 (30 June 2016: \$5). Pioneer Resources Limited also holds an investment in Pioneer Canada Lithium Corp at a cost of \$1 (30 June 2016: \$Nil)

Particulars in relation to the controlled entity

Pioneer Resources Limited is the parent entity.

Name of Controlled entity	Class of Shares	Equity Holding	
		2017	2016
Western Copper Pty Ltd ⁽¹⁾	Ordinary	100%	100%
Golden Ridge North Kambalda Pty Ltd ⁽²⁾	Ordinary	100%	100%
Pioneer Canada Lithium Corp ⁽³⁾	Ordinary	100%	-

⁽¹⁾ Western Copper Pty Ltd was incorporated in Australia on 21 June 2005.

⁽²⁾ Golden Ridge North Kambalda Pty Ltd (ACN 159 539 983) was incorporated in Australia on 18 July 2012.

⁽³⁾ Pioneer Canada Lithium Corp. (BC1082452) was incorporated in British Columbia on 11 July 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
9. PLANT AND EQUIPMENT AND MOTOR VEHICLES		
Plant and office equipment		
At cost	337,881	317,065
Accumulated depreciation	<u>(297,030)</u>	<u>(295,436)</u>
	<u>40,851</u>	<u>21,629</u>
Motor vehicles		
At cost	178,476	178,476
Accumulated depreciation	<u>(178,476)</u>	<u>(178,177)</u>
	<u>-</u>	<u>299</u>
	<u>40,851</u>	<u>21,928</u>

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

Plant and office equipment

Carrying amount at beginning of the year	21,629	31,500
Additions	54,084	-
Disposals	(17,984)	-
Depreciation	<u>(16,878)</u>	<u>(9,871)</u>
Carrying amount at the end of the year	<u>40,851</u>	<u>21,629</u>

Motor vehicles

Carrying amount at beginning of the year	299	11,043
Additions	-	-
Disposals	-	-
Depreciation	<u>(299)</u>	<u>(10,744)</u>
Carrying amount at the end of the year	<u>-</u>	<u>299</u>

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
10. CAPITALISED MINERAL EXPLORATION		
Non-Current		
<i>In the exploration and evaluation phase</i>		
Cost brought forward	8,025,942	7,321,888
Add: Expenditure incurred during the year (at cost)	4,356,610	1,894,472
Less: Disposal of 20% interest in Acra Project	(391,900)	-
Less: Co-funded government initiative ⁽ⁱ⁾	(86,250)	-
Exploration expenditure written off	<u>(1,815,671)</u>	<u>(1,190,418)</u>
	<u>10,088,731</u>	<u>8,025,942</u>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Exploration write-downs totalled \$1,815,671 which related which related primarily to a write-down on a project considered at balance date to be non-core as well as tenements surrendered during the year at the Phillips River, WA Regional Lithium Projects as well as the Ravensthorpe Project where on-going expenditure programs have been curtailed.

⁽ⁱ⁾ During the 30 June 2017 financial year the Company applied and was approved to participate in the Western Australian Government's Exploration Incentive Scheme which is an initiative that aims to encourage exploration in Western Australia for the long-term sustainability of the State's resources sector. The co-funded government incentive related to an approved drilling program at the Blair Dome Project.

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
11. TRADE AND OTHER PAYABLES		
Current (Unsecured)		
Trade creditors (i)	413,298	514,570
Other accruals – Deloitte Tax Services Pty Ltd	31,854	90,993
Other accruals – Auditor	14,500	14,400
Other creditors and accruals (i)	<u>140,180</u>	<u>26,000</u>
	<u>599,832</u>	<u>645,963</u>

(i) A total of \$248,989 (30 June 2016:\$141,114) related to exploration expenditure.

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
12. PROVISIONS		
Current		
Employee entitlements	<u>143,574</u>	<u>127,058</u>
Number of full time employees at year end	<u>4</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

13. CONTRIBUTED EQUITY

The Company

2017 2016
\$ \$

(a) Ordinary Shares

1,037,732,328 (2016: 992,692,207) ordinary shares
34,332,598 32,988,552

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value. Ordinary shares have no par value and entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Share Movements During the Year

	2017		2016	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	992,692,207	32,988,552	678,685,274	27,791,828
<i>Share issues during the year</i>				
Share Issue (i)	42,174,962	1,328,091	-	-
Share Issue (ii)	731,750	24,880	-	-
Share Issue (iii)	2,133,409	89,283	-	-
Share Issue (iv)	-	-	30,916,666	463,750
Share Issue (v)	-	-	6,700,000	100,500
Share Issue (vi)	-	-	4,083,333	61,250
Share Issue (vii)	-	-	161,000,000	1,610,000
Share Issue (viii)	-	-	19,096,318	458,312
Share Issue (ix)	-	-	500,000	20,285
Share Issue (x)	-	-	866,175	38,828
Share Issue (xi)	-	-	90,844,441	2,800,947
Less: Share issue costs		(98,208)		(357,148)
	<u>1,037,732,328</u>	<u>34,332,598</u>	992,692,207	32,988,552

- (i) On 21 July 2016 the Company issued a total of 42,174,962 ordinary shares at an issue price of 3.6 cents each following an offer from the Company's Share Purchase Plan, which raised \$1,518,298 (before issue costs). In addition 14,058,215 free-attaching listed options were issued on a one for three basis with a fair value of \$190,208.
- (ii) On 23 September 2016 the Company issued 731,750 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as First Earn In Consideration under the Raleigh Lake Lithium Project Heads of Agreement.
- (iii) On 23 September 2016 the Company issued 2,133,409 ordinary shares at an issue price of 4.18 cents each to Milford Resources Pty Ltd following shareholder approval obtained on 13 September 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

13. CONTRIBUTED EQUITY (Continued)

(b) Share Movements During the Year (Continued)

- (iv) On 28 October 2015 the Company issued 30,916,666 ordinary shares at an issue price of 1.5 cents each under a placement to professional and sophisticated investors, which raised \$463,750 (before issue costs).
- (v) On 6 November 2015 the Company issued 6,700,000 ordinary shares at an issue price of 1.5 cents each under a placement to sophisticated investors, which raised \$100,500 (before issue costs).
- (vi) On 22 December 2015 the Company issued 4,083,333 ordinary shares at an issue price of 1.5 cents per share to Directors and/or their related parties following shareholder approval obtained on 17 December 2015, which raised \$61,250.
- (vii) On 24 March 2016 the Company issued 161,000,000 ordinary shares at an issue price of 1 cent per share under a placement to professional and sophisticated investors, which raised \$1,610,000 (before issue costs).
- (viii) On 29 April 2016 the Company issued 19,096,318 ordinary shares at an issue price of 2.4 cents per share under a placement to professional and sophisticated investors, which raised \$458,312 (before issue costs).
- (ix) On 31 May 2016 the Company issued 500,000 ordinary shares following the exercise of 500,000 options at an exercise price of 2.6 cents each.
- (x) On 30 June 2016 the Company issued 866,175 ordinary shares at a deemed issued price of 4.48 cents per share to International Lithium Corp as First Earn In Consideration under the Mavis Lithium Project Heads of Agreement.
- (xi) On 1 July 2016 the Company issued 90,844,441 ordinary shares at an issue price of 3.6 cents per share under a placement to professional and sophisticated investors, which raised \$3,270,400 (before issue costs). The subscriptions funds were received on 30 June 2016. In addition 30,281,454 free-attaching listed options were issued on a one for three basis with a fair value of \$444,108.

Subsequent to the end of the financial year the following ordinary shares have been issued and/or announced:

- (a) On 14 July 2017 the Company issued 2,073,075 ordinary shares at a deemed issued price of 1.85 cents per share to International Lithium Corp as a first anniversary consideration under the Mavis Lake Lithium Project Heads of Agreement.
- (b) On 14 July 2017 the Company issued 1,406,807 ordinary shares at an issue price of 2.13 cents each to Milford Resources Pty Ltd following the grant of two exploration licences.
- (c) On 14 September 2017 the Company announced it had completed a share placement of 75,357,142 ordinary shares at an issue price of 1.4 cents per share which raised \$1,055,000 (before issue costs). The shares were issued to institutional and sophisticated investors in accordance with the Corporations Act 2001. In addition the Directors of the Company also committed to participate in the placement comprising 17,500,000 ordinary shares at an issue price of 1.4 cents each to raise \$245,000 which is subject to shareholder approval to be considered at the Annual General Meeting in November 2017. The funds raised will be applied to undertake additional exploration for caesium and lithium at the Pioneer Dome Project, incrementally fund the commercialisation of the Sinclair Caesium Zone Deposit and to augment working capital.
- (d) On 14 September 2017 the Company announced it would be offering ordinary shares at an issue price of 1.4 cents per share to eligible shareholders under the Company's Share Purchase Plan. The offer opened on 18 September 2017 and will close on or around 9 October 2017 and is seeking to raise up to \$1,000,000.
- (e) On 18 September 2017 the Company issued 735,662 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as first anniversary consideration under the Raleigh Lake Lithium Project Heads of Agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

13. CONTRIBUTED EQUITY

(c) Listed Options

During the financial year ended 30 June 2017 the Company granted the following listed options over unissued shares:

Issued To	Number of Options Granted	Exercise Price per Option	Expiry Date	Value per Option at Grant date	Value of Options Granted
Shareholders*	14,058,215	6 cents	31 July 2018	1.353 cents	\$190,208
Total	14,058,215				\$190,208

* The options were issued on 12 October 2016 pursuant to a transaction specific prospectus for the offer of 14,058,215 options to eligible shareholders who participated in the Company's Share Purchase Plan under which shares were issued to eligible shareholders on 21 July 2016. The options are exercisable at 6 cents each by 31 July 2018. The issue of the options was approved in a General Meeting held on 13 September 2016.

In the prior year ended 30 June 2016, 30,281,454 listed options were issued to professional and sophisticated investors who participated in a share placement. The exercise price of the listed options is 6 cents each expiring on 31 July 2018. The options had a fair value of 1.467 cents each, totalling \$444,108.

(d) Unlisted Options

During the financial year ended 30 June 2017 the Company granted the following unlisted options over unissued shares:

Issued To	Number of Options Granted	Exercise Price per Option	Value per Option at Grant date	Value of Options Granted	Expiry Date
Broker options	3,270,400	5.4 cents	2.467 cents	\$80,861	4 September 2018
Directors	6,000,000	6 cents	1.353 cents	\$81,180	31 July 2018
Total	9,270,400			\$162,041	

No unlisted options were issued during the year ended 30 June 2016.

During the year ended 30 June 2017 no options expired. In the prior year ended 30 June 2016 a total of 15,000,000 unlisted options exercisable at 30 cents each expired.

During the year ended 30 June 2017 no listed or unlisted options were exercised. During the year ended 30 June 2016 500,000 unlisted options were exercised at 2.6 cents each.

(e) Options as at 30 June 2017

As at the 30 June 2017 unissued ordinary shares of the Company under option (which are fully vested) are as follows:

	<i>Number of Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
	30,000,000 (unlisted)	30 cents each	15 October 2017
	5,000,002 (unlisted)	2.6 cents	30 April 2018
	5,500,001 (unlisted)	5.0 cents	30 April 2018
	5,499,997 (unlisted)	7.5 cents	30 April 2018
	44,339,669 (listed)	6 cents	31 July 2018
	6,000,000 (unlisted)	6 cents	31 July 2018
	3,270,400 (unlisted)	5.4 cents	4 September 2018
TOTAL	99,610,069		

No options have been issued since the end of the financial year.

Pioneer Resources Limited Directors, Officers, Employees and Other Permitted Persons Option Plan ("the Plan")

Details of additional options that could be issued under the Plan are set out in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

13. CONTRIBUTED EQUITY (Continued)

(f) Share Based Payments

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is disclosed in Note 3(a).

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2017 No.	2017 Weighted average exercise price	2016 No.	2016 Weighted average exercise price
Outstanding at the beginning of the year	76,281,454	15 cents	61,500,000	18 cents
Granted during the year	23,328,615	5.9 cents	30,281,454	6 cents
Exercised during the year	-	-	(500,000)	2.6 cents
Expired during the year	-	-	(15,000,000)	10 cents
Outstanding at the end of the year	99,610,069	13 cents	76,281,454	15 cents
Exercisable at the end of the year	99,610,069	13 cents	76,281,454	15 cents

The outstanding balance as at 30 June 2017 is further detailed in Note 13(d).

The average remaining contractual life for the share options outstanding as at 30 June 2017 is between 0.3 years and 1.2 years (2016: 0.3 years and 2.1 years).

The range of exercise prices for options outstanding at the end of the year was 2.6 cents and 30 cents. (2016: 2.6 cents and 30 cents).

The fair value of options granted during the year ended 30 June 2017 was \$352,069 (30 June 2016: \$444,108).

The fair value of the equity-settled share options granted during the year ended 30 June 2017 was calculated by an independent expert and was estimated as at the date of grant using a Binominal option model taking into account the terms and conditions upon which the options were granted as follows:

Item	Unlisted Options	Listed Options	Unlisted Options
Underlying Security spot price	\$0.026	\$0.025	\$0.025
Exercise Price	\$0.054	\$0.06	\$0.06
Grant Date	5 September 2016	12 October 2016	12 October 2016
Expiration date	4 September 2018	31 July 2018	31 July 2018
Life of Options (years)	2.0	1.8	1.8
Volatility	296%	147%	147%
Risk Free Rate	1.58%	1.58%	1.58%
Number of Options	3,270,400	14,058,215	6,000,000
Valuation per Option	\$0.02467	\$0.01353	\$0.01353
Valuation per Class	\$80,681	\$190,208	\$81,180

(g) Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	<u>2017</u>	<u>2016</u>
	\$	\$
14. RESERVES		
Share Option Reserve		
Opening balance	895,193	553,025
Options issued during the year	352,069	469,453
Options exercised during the year	-	(7,285)
Transfer from share option reserve re: expired options	-	(120,033)
Closing balance	<u>1,247,262</u>	<u>895,193</u>
<p>The option premium reserve is used to recognise the grant date fair value of options issued but not exercised. The reserve reflects the value of options issued to Directors, employees, consultants and third parties (with respect to exploration tenement acquisitions). The reserve also includes the fair value of free attaching listed options accounted for during the year ended 30 June 2017.</p>		
Fair Value Reserve		
Opening balance	282,229	-
Fair value adjustment recognised during the year	<u>(227,503)</u>	282,229
Closing balance	<u>54,726</u>	<u>282,229</u>
<p>The fair value reserve arises on the valuation of available-for-sale financial assets comprising International Lithium Corp common shares and warrants.</p>		
15. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(20,842,934)	(19,289,796)
Net loss attributable to members	(2,522,555)	(1,673,138)
Transfer from share option reserve re: expired options	-	120,000
Accumulated losses at the end of the year	<u>(23,365,489)</u>	<u>(20,842,934)</u>
	<u>2017</u>	<u>2016</u>
	\$	\$
16. TOTAL EQUITY RECONCILIATION		
Total equity at the beginning of the year	13,323,040	9,055,057
Add: Contributions of equity	1,442,254	5,553,872
Less: Cost of contributions of equity	(98,208)	(357,148)
Add: Share option reserve	352,069	462,168
Add: Fair value reserve	(227,503)	282,229
Add: Share of operating loss	<u>(2,522,555)</u>	<u>(1,673,138)</u>
Total equity at the end of the year	<u>12,269,097</u>	<u>13,323,040</u>
17. OPTION PLAN		

The establishment of the Pioneer Resources Limited Directors, Officers, Employees and Other Permitted Persons Option Plan ("the Plan") was approved by ordinary resolution at the Annual General Meeting of shareholders of the Company held on 29 November 2011. All eligible Directors, executive officers, employees and consultants of Pioneer Resources Limited who have been continuously employed by the Company are eligible to participate in the Plan. The Plan was last approved by Shareholders on 19 November 2014.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Options issued under the Plan may have a vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

18. INTERESTS IN JOINT VENTURES/ PROJECTS SUBJECT TO THIRD PARTY FUNDING

Joint venture and other sale and purchase agreements have been entered into with third parties, whereby the third parties have earned an interest in exploration areas by expending specified amounts in the exploration areas or through acquisition. The third parties percentage interest in the future output of the joint ventures or through project acquisition and the requirement to fund, if all its obligations are fulfilled are as follows:

Project	Joint Venture Partner or Third Party Holder	Third Party Participating Equity at 30 June 2017
Acra	Northern Star Limited ("NST")	NST hold a 20% interest and have the option to earn up to a 75% interest on gold minerals
	Heron Resources Limited	100% nickel laterite
Larkinville	Maximus Resources Limited and Tychean Resources Ltd	75% on gold minerals and 80% on nickel minerals
Wattle Dam	Maximus Resources Limited and Tychean Resources Ltd	100% on gold minerals and 80% on nickel minerals
Maggie Hays Hill	Poseidon Nickel Ltd	80% all minerals
Ravensthorpe	ACH Minerals Pty Ltd	100% (PIO retained royalty)

There are no assets owned by these joint ventures and the consolidated entity's expenditure in respect of its participation is brought to account initially as capitalised exploration and evaluation expenditure.

There were no capital commitments or contingent liabilities arising out of the consolidated entity's joint venture activities as at 30 June 2017.

19. RELATED PARTY DISCLOSURES

(a) Remuneration of Specified Directors and Specified Executives by the Consolidated Entity

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the consolidated entity.

Further information on remuneration of Specified Directors is outlined in the Remuneration Report.

The following table provides the details of all Directors of the Company ("Specified Directors") and the nature and amount of the elements of their remuneration for the year ended 30 June 2013. "Specified Executives" (in addition to the Managing Director and Non-Executive Directors) involved in the strategic direction of the consolidated entity are also outlined below.

2017

Specified Director	Primary			Post Employment	Equity Compensation (Non-cash)	Other	Total
	Base Remuneration/ Fees	Motor Vehicle	Cash Bonus *	Superannuation/ Salary Sacrifice Contributions	Options	Insurance	
	\$	\$	\$	\$	\$	\$	\$
C I McGown (i) (iv)	75,000	-	-	-	27,060	3,931	105,991
D J Crook (ii) (iv)	274,618	15,000	47,489	30,600	27,060	16,628	411,395
A Trench (iv)	50,228	-	-	4,772	13,530	3,931	72,461
T W Spilsbury (iii) (iv)	55,000	-	-	-	13,530	3,931	72,461
Total	454,846	15,000	47,489	35,372	81,180	28,421	662,308

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

19. RELATED PARTY DISCLOSURES (Continued)

(a) Remuneration of Specified Directors and Specified Executives by the Consolidated Entity (Continued)

2017

Specified Executive	Primary		Post Employment	Equity Compensation	Other	Total
	Base Remuneration /Fees \$	Motor Vehicle \$	Superannuation/ Salary Sacrifice Contributions \$	Options \$	Insurance \$	
N Brand (Consultant Geochemist) (vi)	221,676	-	-	-	-	221,676
P Dunbar (Consultant Geologist) (vii)	197,100	-	-	-	-	197,100
	418,776	-	-	-	-	418,776

2016

Specified Director	Primary			Post Employment	Equity Compensation	Other
	Base Remuneration /Fees \$	Motor Vehicle \$	Cash Bonus (v) \$	Superannuation / Salary Sacrifice Contributions \$	Options \$	Insurance \$
C I McGown (i) (iv)	70,313	-	-	-	3,338	73,651
D J Crook (ii) (iv)	257,454	15,000	-	24,458	15,492	312,404
A Trench (iv)	46,874	-	-	4,688	3,338	54,900
T W Spilsbury (iii) (iv)	51,562	-	-	-	3,338	54,900
	426,203	15,000	-	29,146	25,506	495,855

2016

Specified Executive	Primary		Post Employment	Equity Compensation	Other	Total
	Base Remuneration /Fees \$	Motor Vehicle \$	Superannuation/ Salary Sacrifice Contributions \$	Options \$	Insurance \$	
N Brand (Consultant Geochemist) (vi)	171,178	-	-	-	-	171,178
	171,178	-	-	-	-	171,178

- (i) Mr McGown's fees were paid to an entity Resource Investment Capital Advisors Pty Ltd.
- (ii) Mr Crook was employed under a Service Agreement which commenced on 1 January 2004 and which was superceded by a Service Agreement dated 21 February 2012.
- (iii) Mr Spilsbury's fees were paid to an entity GeoDuck Pty Ltd.
- (iv) With effect from 1 February 2016 the Board agreed to a 15% reduction to the Managing Director and Non-Executive Directors' remuneration as a result of cost cutting initiatives implemented throughout the Company. With effect from 1 July 2016 the Managing Director and Non-Executives Directors' fees have been re-instated to the annualised remuneration in place before 1 February 2016.
- (v) Mr Crook's cash bonus was based upon the Board's assessment of his performance taking into consideration the attainment of his key performance indicators.
- (vi) Dr Brand's fees were paid to Geochemical Services Pty Ltd.
- (vii) Mr Dunbar's fees were paid to Dunbar Resource Management Pty Ltd.

* Mr Crook's cash bonus was paid based upon the Board's assessment of his performance taking into consideration the attainment of his key performance indicators.

There were no loans made to any Directors at 30 June 2017 (30 June 2016: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

19. RELATED PARTY DISCLOSURES (Continued)

(a) Remuneration of Specified Directors and Specified Executives by the Consolidated Entity (Continued)

Other Director Related Party Transactions

During the year ended 30 June 2017 payments totalling \$25,171 (30 June 2016: \$6,900) were paid as employee expenses and superannuation for exploration field assistance work undertaken by two sons (2016: one son) of the Managing Director, Mr Crook. These payments were on terms and conditions no more favourable than those paid to persons for the same type of work services and who were not related to the Managing Director.

In June 2017 the Company entered into a mandate with New Holland Capital Pty Ltd ("NHC") to act as the exclusive lead advisor with respect to the Pioneer Dome Sinclair Caesium Zone. The mandate covered a specific scope of work and was for an initial two month period with advisory fees of \$35,000 per month. Mr McGown is a director of NHC.

(b) Equity Instruments

All options refer to options over ordinary shares of Pioneer Resources Limited, which are exercisable on a one for one basis.

Options over equity instruments granted as remuneration

During the financial year ended 30 June 2017 and following shareholder approval obtained on 13 September 2016 the Company granted the following unlisted options over unissued shares for \$Nil consideration to Specified Directors and/or the Specified Executive as part of their remuneration:

Director	Total Granted Number	Vested Number at 30 June 2017	Terms and Conditions for each Grant					
			Grant Date	Fair Value per option at grant date (cents)	Exercise price per option (cents)	Expiry Date	First Exercise Date	Last Exercise Date
CI McGown	2,000,000	2,000,000	12 Oct 2016	1.353	6.0	31 July 2018	12 Oct 2016	31 July 2018
DJ Crook	2,000,000	2,000,000	12 Oct 2016	1.353	6.0	31 July 2018	12 Oct 2016	31 July 2018
A Trench	1,000,000	1,000,000	12 Oct 2016	1.353	6.0	31 July 2018	12 Oct 2016	31 July 2018
TW Spilsbury	1,000,000	1,000,000	12 Oct 2016	1.353	6.0	31 July 2018	12 Oct 2016	31 July 2018

When exercisable each option is convertible into one ordinary share of the Company.

During the prior financial year ended 30 June 2016 no unlisted options over unissued shares were granted to Specified Directors/Specified Executives as part of their remuneration:

No unlisted options were exercised during the year ended 30 June 2017. During the year ended 30 June 2016, 500,000 unlisted options were exercisable at 2.6 cents each.

During the year ended 30 June 2017 the options issued had no performance conditions attached.

On 13 September 2016 Shareholders also approved the issue of options to Directors who participated in the Company's Share Purchase Plan which closed on 20 July 2016. The options comprised 138,888 options each to Messrs McGown, Crook and Spilsbury and 50,000 options to Dr Trench. The options will be exercisable at 6 cents each by 31 July 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

19. RELATED PARTY DISCLOSURES (Continued)

(c) Specified Directors' Share and Option holdings

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Specified Directors and Specified Executives of the Company or their personally-related entities are as follows:

Specified Directors	Ordinary Shares				Unlisted Options			
	1 July 2016	Purchases	Disposals/Transfers	30 June 2017	1 July 2016	Options Issued (ii)	Exercised/Expired Options	30 June 2017
Craig McGown	7,654,761	416,666	-	8,071,427	2,500,000	2,000,000	-	4,500,000
David J Crook	9,506,244	416,666	-	9,922,910	7,500,000	2,000,000	-	9,500,000
Allan Trench	3,190,330	150,000	-	3,340,330	1,500,000	1,000,000	-	2,500,000
Thomas Spilsbury	4,021,427	416,666	-	4,438,093	1,000,000	1,000,000	-	2,000,000
Specified Executive								
Nigel Brand ⁽ⁱ⁾	2,924,077	2,933,409	-	5,857,486	10,000,000	-	-	10,000,000
Paul Dunbar	-	-	-	-	-	-	-	-

Specified Directors	Listed Options			
	1 July 2016	Options Issued (iii)	Exercised/Expired Options	30 June 2017
Craig McGown	-	138,888	-	138,888
David J Crook	-	138,888	-	138,888
Allan Trench	-	50,000	-	50,000
Thomas Spilsbury	-	138,888	-	138,888
Specified Executive				
Nigel Brand	-	100,000	-	100,000
Paul Dunbar				-

⁽ⁱ⁾ On 23 September 2016 the Company issued 2,133,409 ordinary shares at an issue price of 4.18 cents each to Milford Resources Pty Ltd following shareholder approval obtained at a General Meeting on 13 September 2016.

⁽ⁱⁱ⁾ Options were approved at a General Meeting of Shareholders held on 13 September 2016.

⁽ⁱⁱⁱ⁾ Options were approved at a General Meeting of Shareholders held on 13 September 2016 and pursuant to a transaction specific prospectus which was lodged with ASIC on 23 September 2016. The options were offered to eligible Shareholders who participated in the Company's Share Purchase Plan which closed on 20 July 2016. The options are exercisable at 6 cents each by 31 July 2018.

A number of Specified Directors (Messrs McGown and Spilsbury) hold positions in other personally-related entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these personally-related entities transacted with the Company during the reporting period with respect to the payment of Non-Executive Directors' fees. The terms and conditions of those transactions were no more favourable than those available, or might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. Refer Note 19(a) for further information.

(d) Non-Director Related Party Transactions

The only non-Director related parties to the Company were its wholly-owned controlled entities, Western Copper Pty Ltd, Golden Ridge North Kambalda Pty Ltd and Pioneer Canada Lithium Corp. Refer Note 8 for further details.

Pioneer Resources Limited (the parent entity) has made loans to Western Copper Pty Ltd of \$3,437,847 (2016: \$3,436,508), Golden Ridge North Kambalda Pty Ltd of \$6,185,360 (2016: \$5,767,724) and Pioneer Canada Lithium Corp. \$1,007,974 (2016: \$Nil). The loans are in relation to funding the respective subsidiary company's exploration undertakings.

There were no other related party transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

20. EXPENDITURE COMMITMENTS

(a) Exploration

The consolidated entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the consolidated entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the consolidated entity have not been provided for in the financial statements and those which cover the following twelve month period amount to \$1,139,967 (2016: \$1,341,020). These obligations are subject to variations by farm-out arrangements or sale of the relevant tenements or expenditure exemptions as permitted under the Mining Act 1978 (amended 2006). This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners, amounting to \$1,190,500 (2016: \$395,000), as disclosed in Note 18.

<u>CONSOLIDATED</u>	
<u>2017</u>	<u>2016</u>
\$	\$

(b) Operating Lease Commitments

Total operating lease expenditure contracted for at balance date but not provided for in the consolidated financial statements, payable:

Not later than one year	103,436	62,584
Later than one year and no later than five years	14,763	495
	<u>118,199</u>	<u>63,078</u>

The operating lease relates to the Company's registered office premises in Perth.

The Perth office operating lease is for a prescribed period expiring on 1 May 2018. The Company is currently reviewing its options with respect to renewing the term of the lease for a further twelve months after the expiry date. During the term of the operating lease the rent is reviewed annually on each successive anniversary date. The annual lease is currently \$44,407.

The Kalgoorlie house and yard operating lease is not for a prescribed fixed period but is rolling on a monthly basis. The monthly rent is \$3,045.

The Norseman house is not for a prescribed fixed period but is rolling on a fortnightly basis with 21 days' notice required for termination. The fortnightly rent is \$636.

The photocopier in the Perth office is leased with a fixed base rate of \$4,788 per year over 4 years plus a usage-based fee for a 48 month period expiring on 25 August 2021.

(c) Capital Commitments

Under an agreement with the University of Tasmania the Company had agreed to partly fund along with other exploration companies a specified and defined research project which is relevant to the Company's current exploration activities. The consolidated entity has no further capital commitment over the next year to fund the University of Tasmania. There were no other capital commitments as at 30 June 2017 (30 June 2016: \$17,000).

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

21. SEGMENT INFORMATION

The consolidated entity operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the consolidated entity is domiciled and operates in two segments being Australia and Canada and these are treated as discrete segments. Detailed information on the segments is as follows:

Year ended 30 June 2017

	Australia	Canada	Total
Revenue	\$843,034	-	\$843,034
Operating loss before tax	\$636,464	\$1,533	\$637,997
Income tax	-	-	-
Net loss after tax	\$2,520,763	\$1,792	\$2,522,555
Segment assets	\$11,999,860	\$1,012,643	\$13,012,503
Segment liabilities	\$743,406	-	\$743,406

The Company's wholly owned subsidiary Pioneer Canada Lithium Corp was incorporated with effect on 11 July 2016. Prior to the incorporation of the Canadian subsidiary the consolidated entity was organised into one main operating segment which involved the exploration of minerals in Australia.

CONSOLIDATED
2017 **2016**
\$ \$

22. EARNINGS/(LOSS) PER SHARE

The following reflects the earnings / (loss) and share data used in the calculations of basic and diluted earnings/(loss) per share:

Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	(2,522,555)	(1,673,138)
	Number of Shares 2017	Number of Shares 2016
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share: <i>Effect of dilutive securities</i>	1,034,761,992	751,658,366
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	1,034,761,992	751,658,366

***Non-dilutive securities**

As at balance date, 99,610,069 options (30 June 2016: 76,281,454 options) which represent potential ordinary shares were not dilutive as the weighted average exercise price of the options were higher than the weighted average share price for the year.

Conversions, calls, subscriptions or issues after 30 June 2017

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
23. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Cash and Cash Equivalents		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	617	616
Cash at bank	62,753	30,757
Deposits at call	<u>2,177,300</u>	<u>5,066,887</u>
	<u>2,240,670</u>	<u>5,098,260</u>
(b) Reconciliation of the profit/(loss) from ordinary activities after income tax to the net cash flows used in operating activities		
Loss from ordinary activities after income tax	(2,522,555)	(1,673,138)
<i>Non-cash items:</i>		
Depreciation	17,176	20,615
Unrealised foreign exchange loss	9,085	2,899
Exploration written off	1,815,671	1,190,418
Investment written off/(written back)	3,150	(4,050)
Expense of share-based payments	81,180	-
Profit on sale of 20% interest in the Acra Project	(108,100)	-
Loss on write off of plant and equipment	1,617	-
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in prepayments	(4,978)	(8,623)
Decrease/(increase) in receivables	159,172	(347,042)
Increase/(decrease) in trade creditors	(46,046)	150,545
Increase/(decrease) in employee entitlements	<u>16,517</u>	<u>11,712</u>
Net cash outflows used in operating activities	<u>(578,111)</u>	<u>(656,664)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

23. NOTES TO THE STATEMENT OF CASH FLOWS

(c) Stand-By Credit Facilities

As at 30 June 2017 the Company has a business credit card facility available totaling \$30,000 (2016:\$30,000) of which \$14,308 (2016: \$1,706) was utilised.

(d) Non Cash Financing and Investing Activities

During the financial year ended 30 June 2017 the Company had no non-cash financing or investing activities other than:

- (ii) On 23 September 2016 the Company issued 731,750 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as First Earn In Consideration under the Raleigh Lake Lithium Project Heads of Agreement.
- (iii) On 23 September 2016 the Company issued 2,133,409 ordinary shares at an issue price of 4.18 cents each to Milford Resources Pty Ltd following shareholder approval obtained on 13 September 2016.

24. FINANCIAL INSTRUMENTS

The consolidated entity's activities expose it to a variety of financial risks and market risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Financial Risk Management Policies

Exposure to key financial risks is managed in accordance with the consolidated entity's risk management policy with the objective to ensure that the financial risks inherent in exploration activities are identified and then managed or kept as low as reasonably practicable. The main financial risks that arise in the normal course of business are market risk (primarily interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Managing Director and the Company Secretary, under the authority of the Board. The Board is appraised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

Categories of Financial Instruments

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial assets		
Cash and cash equivalents	2,240,670	5,098,260
Other receivables	448,767	521,689
Other financial assets	193,484	428,242
	<u>2,882,921</u>	<u>6,048,191</u>
Financial liabilities		
Trade and other payables	599,832	645,963
	<u>2,283,089</u>	<u>5,402,228</u>

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

24. FINANCIAL INSTRUMENTS

Specific Financial Risk Exposures and Management

(a) Market Risk - Interest Rate Risk Management

The consolidated entity's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the consolidated entity does not have any borrowings. The consolidated entity does not enter into hedges.

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets.

Liquidity and interest risk table

The following tables detail the consolidated entity's remaining contractual maturity for its non-derivative financial assets and liabilities and have been prepared on the following basis:

- Financial assets – based on the undiscounted contractual maturities including interest that will be earned on those assets except where the consolidated entity anticipates that the cash flow will occur in a different period; and
- Financial liabilities – based on undiscounted cash flows on the earliest date on which the consolidated entity can be required to pay, including both interest and principal cash flows.

2017

	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5 plus years \$	No fixed term \$	Total \$
Financial Assets							
Non-interest bearing	642,868	-	-	-	-	-	642,868
Variable interest rate	-	2,240,053	-	-	-	-	2,240,053
Fixed interest rate	-	-	-	-	-	-	-
	950,547	2,240,053	-	-	-	-	2,882,921
Financial Liabilities							
Non-interest bearing	599,832	-	-	-	-	-	599,832
Variable interest rate	-	-	-	-	-	-	-
Fixed interest rate	-	-	-	-	-	-	-
	599,832	-	-	-	-	-	599,832

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

24. FINANCIAL INSTRUMENTS (Continued)

Specific Financial Risk Exposures and Management

(a) Market Risk - Interest Rate Risk Management

2016

	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5 plus years \$	No fixed term \$	Total \$
Financial Assets							
Non-interest bearing	950,547	-	-	-	-	-	950,547
Variable interest rate	-	5,097,644	-	-	-	-	5,097,644
Fixed interest rate	-	-	-	-	-	-	-
	950,547	5,097,644	-	-	-	-	6,048,191
Financial Liabilities							
Non-interest bearing	645,963	-	-	-	-	-	645,963
Variable interest rate	-	-	-	-	-	-	-
Fixed interest rate	-	-	-	-	-	-	-
	645,963	-	-	-	-	-	645,963

(b) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity's exposure and the credit ratings of its counterparties are monitored. The consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with Commonwealth Bank of Australia and Westpac Banking Corporation.

The credit quality of the financial assets that are either past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. All cash balances are deposits with financial institutions with 'AA' S&P ratings. The tenement and rental bonds disclosed in Other Receivables (Note 6) are also deposits with financial institutions with 'AA' S&P ratings. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

24. FINANCIAL INSTRUMENTS

(b) Credit Risk Management (Continued)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount of the financial assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and in the notes to the financial statements.

(c) Commodity Price Risk and Liquidity Risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the consolidated entity's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the consolidated entity monitors its ongoing exploration cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The consolidated entity has no undrawn financing facilities. Trade and other payables, the only financial liability of the consolidated entity, are due within 3 months.

At the present state of the consolidated entity's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The consolidated entity's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(d) Foreign Exchange Risk

The Company has one wholly owned Canadian subsidiary. This Canadian subsidiary has a limited number of suppliers that invoice in foreign currencies and therefore foreign exchange risk is minimal.

(e) Fair Value of Financial Instruments

AASB 7 Financial Instruments: Disclosures which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than the shares held in listed entities as disclosed in Note 7, which are held at fair value based on quoted prices (level 1 in fair value hierarchy).

No financial instruments at level 2 or 3 in the valuation hierarchy were held at 30 June 2017 (30 June 2016: \$Nil).

(f) Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the consolidated entity consists of equity only, comprising issued capital and reserves, net of accumulated losses. The consolidated entity's policy is to use capital market issues to meet the funding requirements of the consolidated entity.

There were no changes in the consolidated entity's approach to capital management during the year.

The consolidated entity is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

25. PARENT COMPANY

(a) Financial Position

As at 30 June 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Assets		
Total current assets	2,760,791	6,048,191
Total non-current assets	10,247,049	8,047,876
Total Assets	<u>13,007,840</u>	<u>14,096,067</u>
Liabilities		
Total current liabilities	743,406	773,021
Total non-current liabilities	-	-
Total Liabilities	<u>743,406</u>	<u>773,021</u>
Net Assets	<u>12,264,434</u>	<u>13,323,046</u>
Equity		
Issued capital	34,332,598	32,988,552
Reserves	1,301,988	1,177,422
Accumulated losses	(23,370,152)	(20,842,928)
Total Equity	<u>12,264,434</u>	<u>13,323,046</u>
Profit/(loss) for the year	(2,527,224)	(1,673,138)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	<u>(2,527,224)</u>	<u>(1,673,138)</u>

(b) Guarantees entered into by the Parent

Pioneer Resources Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiary.

(c) Contingent liabilities of the Parent

Pioneer Resources Limited's contingent liabilities are consistent with those disclosed in Note 27.

(d) Capital commitment of the Parent

Pioneer Resources Limited's capital commitments are disclosed in Note 20.

26. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is disclosed in Note 12.

Directors, Officers, Employees and Other Permitted Persons Option Plan

Details of the Company's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

26. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (Continued)

Superannuation Commitments

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessment of the plans is required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.
- during the year employer contributions to superannuation plans (including salary sacrifice amounts) totaled \$78,171 (2016: \$47,749).

27. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the consolidated entity as at 30 June 2017 other than:

Native Title and Aboriginal Heritage

Native Title claims have been made with respect to areas which include tenements in which the consolidated entity has an interest. The consolidated entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the consolidated entity or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the consolidated entity has an interest.

28. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years, other than market announcements released to the Australian Securities Exchange since balance date except for the following:

Share Issues

- (i) On 14 July 2017 the Company issued 2,073,075 ordinary shares at a deemed issued price of 1.85 cents per share to International Lithium Corp as a first anniversary consideration under the Mavis Lake Lithium Project Heads of Agreement.
- (ii) On 14 July 2017 the Company issued 1,406,807 ordinary shares at an issue price of 2.13 cents each to Milford Resources Pty Ltd following the grant of two exploration licences.
- (iii) On 14 September 2017 the Company announced it had completed a share placement of 75,357,142 ordinary shares at an issue price of 1.4 cents per share which raised \$1,055,000 (before issue costs). The shares were issued to institutional and sophisticated investors in accordance with the Corporations Act 2001. In addition the Directors of the Company also committed to participate in the placement comprising 17,500,000 ordinary shares at an issue price of 1.4 cents each to raise \$245,000 which is subject to shareholder approval to be considered at the Annual General Meeting in November 2017. The funds raised will be applied to undertake additional exploration for caesium and lithium at the Pioneer Dome Project, incrementally fund the commercialisation of the Sinclair Caesium Zone Deposit and to augment working capital.
- (iv) On 14 September 2017 the Company announced it would be offering ordinary shares at an issue price of 1.4 cents per share to eligible shareholders under the Company's Share Purchase Plan. The offer opened on 18 September 2017 and will close on or around 9 October 2017 and is seeking to raise up to \$1,000,000.
- (v) On 18 September 2017 the Company issued 735,662 ordinary shares at a deemed issued price of 3.4 cents per share to International Lithium Corp as first anniversary consideration under the Raleigh Lake Lithium Project Heads of Agreement.

DIRECTORS' DECLARATION

In the opinion of the Directors of Pioneer Resources Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 14 to 51, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2017 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that Pioneer Resources Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the financial year ended 30 June 2017.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 28 September 2017



D J Crook
Managing Director

Independent Auditor's Report to the members of Pioneer Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pioneer Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a loss of \$2,522,555 (2016: \$1,673,138) and experienced net cash outflows from operating and investing activities of \$4,152,137 (2016: \$2,553,814) for the year ended 30 June 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management and the directors in relation to events and conditions that may impact the assessment of the Group's ability to continue as a going concern;
- Challenging the assumptions contained in management's cash flow forecast in relation to the Group's ability to continue as a going concern; and
- Assessing the adequacy of the disclosures related to going concern in Note 1.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Carrying value of capitalised mineral exploration</p> <p>As at 30 June 2017 the Group has \$10.1m of capitalised mineral exploration expenditure as disclosed in Note 10.</p> <p>Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether the facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. 	<p>Our procedures included, but were not limited:</p> <ul style="list-style-type: none"> • Obtaining an understanding of management's process to evaluate the carrying value of capitalised mineral exploration assets; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date and challenging management's consideration of the ability to recoup the capitalised costs through future development or sale of the area of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Testing on a sample basis, evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification between asset and expense; • Assessing whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the appropriateness of the related disclosures in Note 10 to the Financial Statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 11 of the director's report for the year ended 30 June 2017.

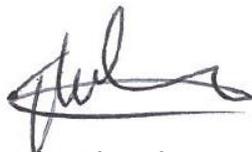
In our opinion, the Remuneration Report of Pioneer Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler

Partner

Perth, 28 September 2017

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange. The information was current as at 19 September 2017.

(a) Distribution schedule and number of holders of equity securities as at 19 September 2017.

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares (PIO)	161	136	174	1,707	1,469	3,647
Listed Options – 6c 31/7/18 (PIOO)	2	-	44	136	99	281
Unlisted Options – 30c 15/10/17	-	-	-	-	3	3
Unlisted Options – 2.6c 30/4/18	-	-	-	-	7	7
Unlisted Options – 5c 30/4/18	-	-	-	-	8	8
Unlisted Options – 7.5c 30/4/18	-	-	-	-	8	8
Unlisted Options – 6c 31/7/18	-	-	-	-	4	4
Unlisted Options – 5.4c 4/9/18	-	-	-	-	1	1

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 19 September 2017 was 1,123 (holding 15,690,227 shares).

(b) 20 Largest Holders of Quoted Equity Securities as at 19 September 2017

Fully Paid Ordinary Shares

The names of the twenty largest holders of fully paid ordinary shares (ASX Code: PIO) as at 19 September 2017 were:

Rank	Name	Shares	% of Total Shares
1	Nero Resource Fund Pty Ltd	35,714,285	3.20
2	J P Morgan Nominees Australia Limited	21,805,630	1.95
3	Mr Peter Woodland	21,406,514	1.92
4	Xstrata Nickel Australasia Investments Pty Ltd	21,396,935	1.92
5	Rafe Pty Ltd <Tomasich S/F A/C>	14,500,000	1.30
6	Mr Dennis Rosenwald	12,500,000	1.12
7	Equity Trustees Limited <Lowell Resources Fund A/C>	10,714,285	0.96
8	Mr Mark Kevin Proctor	10,137,010	0.91
9	Claymore Investments Pty Ltd <Waldeck S/F A/C>	10,000,000	0.90
10	Mr David J Crook & Mrs Jennifer A Crook <Parkway S/F A/C>	9,325,079	0.83
11	Ionikos Pty Ltd <McGown S/F A/C>	8,071,427	0.72
12	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	7,269,848	0.65
13	Mr Peter G Alleway & Mrs Colleen G Alleway <Alleway Family A/C>	7,170,000	0.64
14	Marford Group Pty Ltd	7,142,857	0.64
15	Monex Boom Securities (Hk) Limited <Clients Account>	7,093,840	0.63
16	Mr Terence Mervyn Risby & Mr Dawn Lillian Risby <Risby Family Super Fund A/C>	7,000,100	0.63
17	Mr Frederick William Clare	7,000,000	0.63
18	Mr Hsin Wei Wu	5,600,000	0.50
19	Mr Christopher Allan Eaglesham	5,555,555	0.50
20	Mr David Robert Woodland	5,416,666	0.48
	TOTAL	234,820,031	21.03

Listed Options (PIOO)

The names of the twenty largest holders of listed options (ASX Code: P100) as at 19 September 2017 were:

Rank	Name	Listed Options	% of Total Listed Options
1	Mr Justin John Taylor	8,250,000	18.61
2	Mr Peter Lancelot Gebhardt & Mrs Carlene Joy Gebhardt (Petard Super Fund A/C)	2,700,000	6.09
3	Mr Jason Yin	2,000,000	4.51
4	Mr Tim Handley-Garben	1,500,000	3.38
5	Mr Tobias Silas Carter	1,500,000	3.38
6	Mr Mark Raymond Thompson	1,359,585	3.07
7	Mrs Emilia Mawer	1,129,628	2.55
8	Mr David Reid and Mr Jason Reid <Bonnie Doon Super Fund>	1,083,333	2.44
9	Mr Gregory Black	1,000,000	2.26
10	Barroseven Pty Limited	700,000	1.58
11	Mr Antony Ian Porteus	638,888	1.44
12	Mr Samuel John Hallifax	583,333	1.32
13	HC Investment Holdings Pty Limited <The JC A/C>	500,000	1.13
14	Mr John Michael Bitmead & Mrs Colleen Merle Bitmead	500,000	1.13
15	Mr Ramin Vahdani	500,000	1.13
16	Bellaire Capital Pty Ltd (Bellaire Capital Invest A/C)	466,667	1.05
17	Mr William Murray Mitchell & Mrs Dianne Joan Mitchell <Mitchell S/F>	462,963	1.04
18	Mr Jason John Stephens	462,963	1.04
19	Mr Mark Andrew Linney (The M A Linney Family A/C)	462,963	1.04
20	110 Percent Pty Ltd <The HG Super Fund A/C>	450,000	1.01
	TOTAL	26,250,323	59.20

Stock Exchange Listing – Listing has been granted for 1,117,305,014 ordinary fully paid shares (PIO) and 44,339,669 listed options (PIOO) of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 19 September 2017 are detailed below in Section (d) below.

(c) Substantial Shareholders

No substantial shareholding notices have been provided to Pioneer Resources Limited.

(d) Unquoted Securities

The number of unquoted securities on issue as at 19 September 2017:

Security	Number on issue
Unlisted options exercisable at 30 cents, on or before 15 October 2017	30,000,000
Unlisted options exercisable at 2.6 cents, on or before 30 April 2018	5,000,002
Unlisted options exercisable at 5.0 cents, on or before 30 April 2018	5,500,001
Unlisted options exercisable at 7.5 cents, on or before 30 April 2018	5,499,997
Unlisted options exercisable at 6 cents, on or before 31 July 2018	6,000,000
Unlisted options exercisable at 5.4 cents, on or before 4 September 2018	3,270,400
TOTAL	55,270,400

(e) Names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 19 September 2017

Security	Name	Number of Securities
Unlisted Options – 30 cents by 12/10/17	Alan Paul Rudd	10,000,000
Unlisted Options – 30 cents by 12/10/17	Donald Peter Huntly & Alevtina Borisovna Huntly <Deti Trading A/C>	10,000,000
Unlisted Options – 30 cents by 12/10/17	Druidston Holdings Pty Ltd <Brand Superannuation A/C>	10,000,000

(f) Restricted Securities as at 19 September 2017

There were no restricted securities on issue as at 19 September 2017.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(h) Company Secretary

The Company Secretary is Ms Julie Wolseley.

(i) Registered Office

The Company's Registered Office 21 Ord Street, West Perth, Western Australia 6005.

(j) Share Registry

The Company's Share Registry is Security Transfer Australia Pty Limited, 770 Canning Highway, Applecross, Western Australia, 6153. Telephone: 1300 992 916. Facsimile: (08) 9315 2233.

(k) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

Pioneer Resources Ltd
Tenement Schedule
(Consolidated Basis)

Tenement	Holder	Notes
Golden Ridge Nickel Project Located 30km SE of Kalgoorlie, WA		
M26/220	Golden Ridge North Kambalda Pty Ltd	1
M26/222	Golden Ridge North Kambalda Pty Ltd	1, 11
M26/284	Golden Ridge North Kambalda Pty Ltd	1, 11
M26/285	Golden Ridge North Kambalda Pty Ltd	1, 11
L26/272	Golden Ridge North Kambalda Pty Ltd	1
E27/186	Golden Ridge North Kambalda Pty Ltd	1
Juglah Dome Gold/VMS Project Located 58km SE of Kalgoorlie, WA		
E25/381	Western Copper Pty Ltd	4
E25/514	Pioneer Resources Limited	
E25/523	Western Copper Pty Ltd	4, 13
Fairwater Nickel Project Located 220km SE of Kalgoorlie, WA		
E63/1244	Pioneer Resources Limited / National Minerals Pty Ltd	10
E63/1665	Pioneer Resources Limited / National Minerals Pty Ltd	10
E63/1714	Pioneer Resources Limited / National Minerals Pty Ltd	10
Pioneer Lithium Project Located 133km SSE of Kalgoorlie, WA		
E15/1515	Pioneer Resources Limited	
E15/1522	Pioneer Resources Limited	
E63/1669	Pioneer Resources Limited	
E63/1782	Pioneer Resources Limited	
E63/1783	Pioneer Resources Limited	
E63/1785	Pioneer Resources Limited	
E63/1825	Pioneer Resources Limited	
M63/665	Pioneer Resources Limited	
Katanning Gold Project Located 260km SE of Perth, WA		
E70/4827	Pioneer Resources Limited	
E70/4828	Pioneer Resources Limited	
E70/4835	Pioneer Resources Limited	
E70/4836	Pioneer Resources Limited	
Phillips River Lithium Project Located 50km NW of Esperance, WA.		
E74/581	Pioneer Resources Limited	
Bodardi Lithium Project Located 240km SE of Carnarvon, WA		
E09/2180	Pioneer Resources Limited / Milford Resources Pty Ltd	12
Kangan Lithium Project Located 80km S of Port Hedland, (Wodgina) WA		
E45/4948	Pioneer Resources Limited	
E47/3318-1	FMG Pilbara Pty Ltd	17
E47/3321-1	FMG Pilbara Pty Ltd	17
Donnelly Lithium Project Located 15km SW of Greenbushes, WA		
E70/4826	Paul Winston Askins	14
E70/4829	Paul Winston Askins	14

Tenement	Holder	Notes
Lithium Regional Projects, Located in WA		
E30/487	Pioneer Resources Limited	
E63/1796	Pioneer Resources Limited	
Mavis Lake and Raleigh Lake Lithium Projects, Located 10km and 60km East of Dryden, Ontario, Canada		
4208712	International Lithium Corporation	15
4208713	International Lithium Corporation	15
4208714	International Lithium Corporation	15
4218370	International Lithium Corporation	15
4218371	International Lithium Corporation	15
4242501	International Lithium Corporation	15
4242502	International Lithium Corporation	15
4242505	International Lithium Corporation	15
4245250	International Lithium Corporation	15
4274924	International Lithium Corporation	15
4274925	International Lithium Corporation	15
4274926	International Lithium Corporation	15
4274927	International Lithium Corporation	15
4251131	International Lithium Corporation	15
4251132	International Lithium Corporation	15
4251133	International Lithium Corporation	15
4251134	International Lithium Corporation	15
4251135	International Lithium Corporation	15
4251136	International Lithium Corporation	15
4251137	International Lithium Corporation	15
4251138	International Lithium Corporation	15
4251139	International Lithium Corporation	15
4251140	International Lithium Corporation	15
4279866	International Lithium Corporation	15
4279867	International Lithium Corporation	15
4279868	International Lithium Corporation	15
4279997	International Lithium Corporation	15
4279998	International Lithium Corporation	15
4279999	International Lithium Corporation	15
4280000	International Lithium Corporation	15
K489140	International Lithium Corporation	15
K498288	International Lithium Corporation	15
K498289	International Lithium Corporation	15
K498290	International Lithium Corporation	15
K498292	International Lithium Corporation	15
K498308	International Lithium Corporation	15
Acra Gold Project Located 60km NE of Kalgoorlie, WA		
E27/278	Pioneer Resources Limited	2, 8
E27/438	Pioneer Resources Limited	8
E27/491	Pioneer Resources Limited	8
E27/520	Pioneer Resources Limited	2, 8
E27/548	Pioneer Resources Limited	8
E27/579	Pioneer Resources Limited	8
E28/1746	Pioneer Resources Limited	2, 8
E28/2483	Pioneer Resources Limited	8

Tenement	Holder	Notes
Wattle Dam Nickel Project Located 65km S of Kalgoorlie, WA		
M15/1101	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1263	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1264	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1323	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1338	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1769	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1770	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1771	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1772	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
M15/1773	Maximus Resources Limited (51%), Tychean Resources Limited (49%)	3, 5
Larkinville Lithium, Nickel Project Located 75km S of Kalgoorlie, WA		
M15/1449	Maximus Resources Limited (36.75%) & Tychean Resources Limited (38.25%) Pioneer Resources Limited (25%)	6, 7
P15/5912	Maximus Resources Limited (36.75%) & Tychean Resources Limited (38.25%) Pioneer Resources Limited (25%)	6, 7
Maggie Hays Hill JV, Located 140km SE of Southern Cross		
E63/1784	Poseidon Nickel Limited (80%) Pioneer Resources Limited (20%)	16
Ravensthorpe Copper-Gold Project Located 340km SW of Kalgoorlie, WA		
E74/311	ACH Minerals Pty Limited	9
E74/379-1	ACH Minerals Pty Limited	9
E74/392	ACH Minerals Pty Limited	9
E74/399	ACH Minerals Pty Limited	9
E74/406	ACH Minerals Pty Limited	9
E74/486	ACH Minerals Pty Limited	9
E74/537	ACH Minerals Pty Limited	9
E74/558	ACH Minerals Pty Limited	9
E74/559	ACH Minerals Pty Limited	9
E74/560	ACH Minerals Pty Limited	9
M74/163	ACH Minerals Pty Limited	9
P74/349	ACH Minerals Pty Limited	9

Notes:	
1	Golden Ridge North Kambalda P/L is a wholly-owned subsidiary of Pioneer
2	Heron Resources Limited retains nickel laterite ore
3	Heron Resources Limited retains pre-emptive right to purchase Nickel Laterite Ore
4	Western Copper Pty Limited is a wholly-owned subsidiary of Pioneer
5	Wattle Dam JV Agreement: Title, Mineral Rights held by Maximus Resources Limited (51%), Tychean Resources Limited (49%), except nickel. Pioneer 20% free carried interest in NiS minerals
6	Larkinville JV Agreement: Maximus Resources Limited (36.75%) & Tychean Resources Limited (38.25%) in Gold and Tantalite, Pioneer 25% free carried interest
7	Larkinville JV Agreement: Maximus Resources Limited & Tychean Resources Limited 80% interest in nickel rights, Pioneer 20% free carried interest
8	Acra JV Agreement with Northern Star Resources Limited 20% interest and may earn additional 55%. Pioneer 25% free carried interest.
9	Ravensthorpe: Title and rights to all minerals held by ACH Minerals Pty Limited. Pioneer 1.5% NSR
10	Fairwater JV Agreement: Pioneer 75% Interest, National Minerals P/L 25% free carried interest
11	Gold royalty held by Morgan Stanley Finance Pty Limited and Morgan Stanley Capital Group Inc.
12	Milford Resources Pty Limited 10% free carried interest
13	1% gross royalty held by Walter Scott Wilson
14	Subject to an Option Agreement with P Askins
15	Subject to an earn-in Joint Venture with International Lithium Corp.
16	Maggie Hays Lake JV Agreement: Poseidon Nickel Limited 80%, Pioneer 20% & free carried interest to commencement of mining.
17	FMG Pilbara Pty Ltd 1.5% NSR royalty.