

PIONEER MOVES TO 51% OWNERSHIP OF THE MAVIS LAKE LITHIUM PROJECT IN ONTARIO, CANADA

Part of Pioneer's strategy to prioritise its key projects

Perth, Western Australia: 31 August 2018: Pioneer Resources Limited (the "Company" or "Pioneer") (ASX: PIO), is pleased to advise it has reached agreement with its joint venture partner International Lithium Corp. ("ILC") (TSX Venture: ILC.V), (together the "Joint Venture") to fast-track its earn-in into the Mavis Lake Lithium Project to 51%.

Both Pioneer and ILC see merit in the Joint Venture focussing its attention solely on the Mavis Lake Lithium Project, following two very successful drilling programmes carried out during the 2017 and 2018 winters which intersected thick zones of spodumene mineralisation (refer to ASX Release dated 11 April 2017 and 6 April 2018 for the assay results of the these drilling campaigns).

Pioneer Managing Director David Crook said;

"Changes to the agreements in place with ILC are a win-win for both parties and reflect the good working relationship between Pioneer and ILC. Our strategy is to ensure that our best projects get the money and attention they deserve and this Agreement will allow Pioneer to focus its exploration attention in Canada on the Mavis Lake Project."

Encouraging zones of lithium (spodumene) mineralisation intersected* by the Joint Venture included:

- **MF17-39:** 17.90m at 1.47% Li₂O from 80.00m
- **MF17-49:** 26.30m at 1.70% Li₂O from 111.9m
- **MF17-50:** 16.55m at 1.45% Li₂O from 74.55m
and 23.10m at 1.36% Li₂O from 122.00m
- **MF18-58:** 28.95m at 1.14% Li₂O from 116.8m
- **MF18-51:** 23.30m at 1.09% Li₂O from 76.8m
- **MF18-53:** 55.25m at 1.04% Li₂O from 82.75m
- **MF18-54:** 18.20m at 1.27% Li₂O from 94.8m
- **MF18-55:** 12.35m at 1.41% Li₂O from 135.14m

* downhole - not true widths

Details of the Agreement

Pioneer and ILC have varied the original Mavis Lake and Raleigh joint venture agreements whereby:

- i) The first earn-in phase of the Mavis Lake Project is deemed to have been completed and the Joint Venture phase is deemed to have commenced under the 2016 Mavis Lake joint venture agreement (**Mavis Lake JV Agreement**). This delivers Pioneer 51% project equity in the Mavis Lake Project with ILC retaining the other 49%; and
- ii) Pioneer gives notice to withdraw from the Raleigh Joint Venture, also in Ontario, Canada, so that Raleigh reverts to ILC with Pioneer retaining no further interest; and

- iii) Pioneer is to issue 2,500,000 new shares to ILC in lieu of making future anniversary payments (cash & shares) to ILC totalling C\$125,000 by June 2019 ; and
- iv) ILC will receive a CAD \$75,000 credit against its share of any development expenditure on the Mavis Lake Project. Pioneer retains the right granted in the Mavis Lake JV Agreement to elect to increase its share of Mavis to 80% by sole funding CAD \$8,500,000 of exploration expenditure on Mavis Lake over the next 7 years; and
- v) ILC is entitled to a 1.5% Net Smelter Return royalty, as specified under the Mavis Lake JV Agreement. Pioneer may now buy back 50% of this royalty for C\$750,000 (instead of 100% for C\$1.5 million); and
- vi) Pioneer is no longer required to spend a further C\$300,000 (approx.) in direct exploration expenditure by June 2019 to earn the initial 51% Project Equity in the Mavis Lake JV. This means that the Company can now plan its activities without that fiscal obligation unduly influencing its programme; and
- vii) Other minor changes to make the agreements consistent with the above.

As Pioneer will now not need to make future anniversary payments (cash & shares) to ILC totalling C\$125,000 by June 2019 for Mavis Lake and a similar amount for Raleigh, this money can be allocated towards further in-the-ground exploration.

Yours faithfully



Managing Director

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About International Lithium Corp.

International Lithium Corp. has a significant portfolio of lithium projects, strong management, and a strategic partner and keystone investor, Jiangxi Ganfeng Lithium Co. Ltd., (“Ganfeng Lithium”) a leading China-based lithium product manufacturer.

About Pioneer Resources Limited

Pioneer is a soon-to-be miner and active explorer focused on key global demand-driven commodities. The Company operates a portfolio of strategically located lithium, caesium, potassium (“alkali metals”), nickel, cobalt and gold projects in mining regions in Western Australia, plus a portfolio of high quality lithium assets in Canada. Drilling is in progress, or has been recently completed, at each of these Projects.

Pioneer Dome Project and the Sinclair Zone Caesium Deposit: In early 2017 Pioneer reported the discovery of Australia’s first caesium (in the mineral ‘pollucite’) deposit. Pollucite is a high value mineral and global supply is very constrained. It is a rare caesium mineral that forms in extremely differentiated LCT pegmatite systems. The primary use of caesium is in Caesium Formate brine used in high temperature/high pressure oil and gas drilling.

The Project has seen well developed thicknesses of microcline mineralisation intersected in drilling. Also, the lithium minerals petalite and lepidolite have been intersected in drilling.

Cobalt: Golden Ridge Project, WA: Cobalt demand is expanding in response to its requirement in the manufacture of cobalt-based lithium batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses include in super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.

Nickel: Blair Dome/Golden Ridge Project: The price for nickel is steadily improving. The Company owns the closed Blair Nickel Sulphide Mine located between Kalgoorlie and Kambalda, WA, where near-mine target generation is continuing. The Company recently announced a significant new nickel sulphide drilling intersection at the Leo’s Dam Prospect, highlighting the prospectivity of the greater project area.

Lithium: Mavis Lake Project, Canada & Pioneer Dome Project, WA: Lithium has been classed as a ‘critical metal’ meaning it has a number of important uses across various parts of the modern, globalised economy including communication, electronic, digital, mobile and battery technologies; and transportation, particularly aerospace and automotive emissions reduction. Critical metals seem likely to play an important role in the nascent green economy, particularly solar and wind power; electric vehicle and rechargeable batteries; and energy-efficient lighting.

Competent Person

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook.

Mr Crook is a fulltime employee of Pioneer Resources Limited. Mr Crook is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the exploration processes undertaken to qualify as a Competent Person as defined in the 2012 Editions of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Crook consents to the inclusion of the matters presented in the announcement in the form and context in which they appear.

Caution Regarding Forward Looking Information

This Announcement may contain forward looking statements concerning the projects owned or being earned in by the Company. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.