

## **NOVO TO EXPLORE KANGAN GOLD PROJECT IN THE WEST PILBARA ACQUIRES RIGHT TO EARN UP TO A 70% INTEREST**

**Perth Western Australia, 18 September 2018:** Pioneer Resources Limited ("Company" or "Pioneer", ASX: PIO) is pleased to announce a significant farm-out Agreement with Novo Resources Corp. ("Novo", TSXV: NVO.V) which will fast track exploration at the Company's 100%-held Kangan Gold Project ("Project"), located within the Pilbara of Western Australia.

**Under the terms of binding agreements and subject to certain regulatory approvals, Novo will:**

- **Pay to Pioneer a signing fee of \$200,000 cash;**
- **Issue 100,000 fully paid common shares in Novo (worth circa A\$380,000 at current market prices);**
- **Sole fund \$0.5 million of exploration expenditure within 2 years to achieve a 70% Earned Interest and then may elect to form a Joint Venture (JV); and**
- **Novo will continue to sole fund all JV expenditure prior to a "Decision to Mine" being made.**
  
- **Novo will also subscribe to A\$1.0 million in Pioneer shares at \$0.02 per share.**

The Agreement means that future Kangan Gold Project exploration programmes will be managed by one of Canada's most innovative and well-funded gold explorers and the key proponent of the Pilbara Conglomerate-Gold genesis model, driven by Dr Quinton Hennigh.

Pioneer's Managing Director, David Crook, said:

"Attracting Novo to the Project endorses the quality of the Kangan Gold Project. Novo has been active in the Pilbara region of WA since 2011 when it invested in the Beatons Creek Gold Project as well as tenements held by well-known mining explorationist, Mark Creasy.

"Novo has steadily increased its position within the Pilbara as the Conglomerate Gold genesis model<sup>1</sup> gained veracity and, most recently, has entered into this specific Agreement with Pioneer targeting the Kangan Project as a good fit with the prevailing exploration model", he said.

Novo states that its major shareholders include Kirkland Lake, Eric Sprott, Mark Creasy and Newmont.

### **Kangan Project Provides Exposure to the Emerging West Pilbara Sediment-hosted Gold Province**

Interest in the Pilbara region for gold has surged as explorers engage with the exploration model proposed by Novo Resources Corp. President, Dr Quinton Hennigh<sup>1</sup>.

The Model postulates:

- Some of Earth's earliest land masses (cratons), including Kaapvaal (Southern Africa), Dharwar, Singhbhum and Bastar (Indian subcontinent), and Pilbara (Australia) existed as a single continent, referred to as Ur by some authors including Hennigh;

- The remnants of the Ur continent have contributed approximately 1.85, 0.35 and 0.1 billion oz gold production, respectively, or about 39% of historic global gold production, estimated to be about 5.9 billion oz [World Gold Council, 2014]. About 75% of this gold has come from the Witwatersrand Basin;
- The hypothesis contends that huge quantities of gold were scavenged out of seawater by microbial mats starting at around 3.0-2.9 billion years before present (Ga), initiating a crustal gold depositional event. If this method of gold deposition extended throughout the proposed continent, the Pilbara region is under-represented as far as gold production is concerned.

Lithified sediments within the 3.0-2.9 Ga age (being the age of the Witwatersrand Supergroup in southern Africa, and **the age-equivalent De Grey Group in the Pilbara**)<sup>2</sup> are currently the targeted rock units receiving exploration interest in the Pilbara, and rocks of this age are mapped within Pioneer’s Kangan Project (Refer to GSWA 1:100,000 Satirist sheet.)

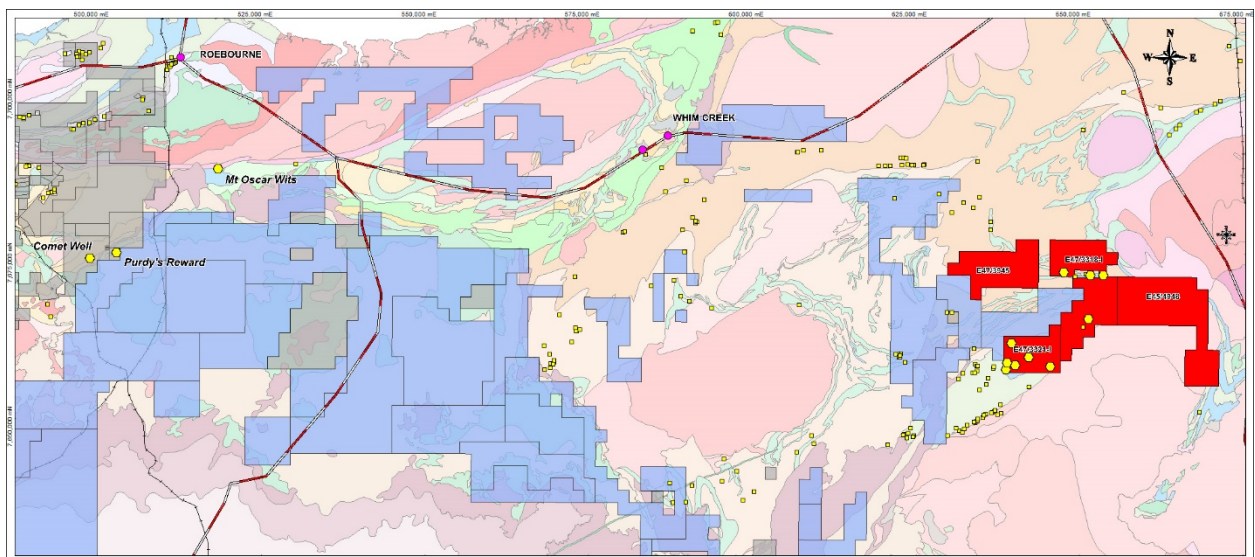
*David Crook*

Managing Director  
**Pioneer Resources Limited**

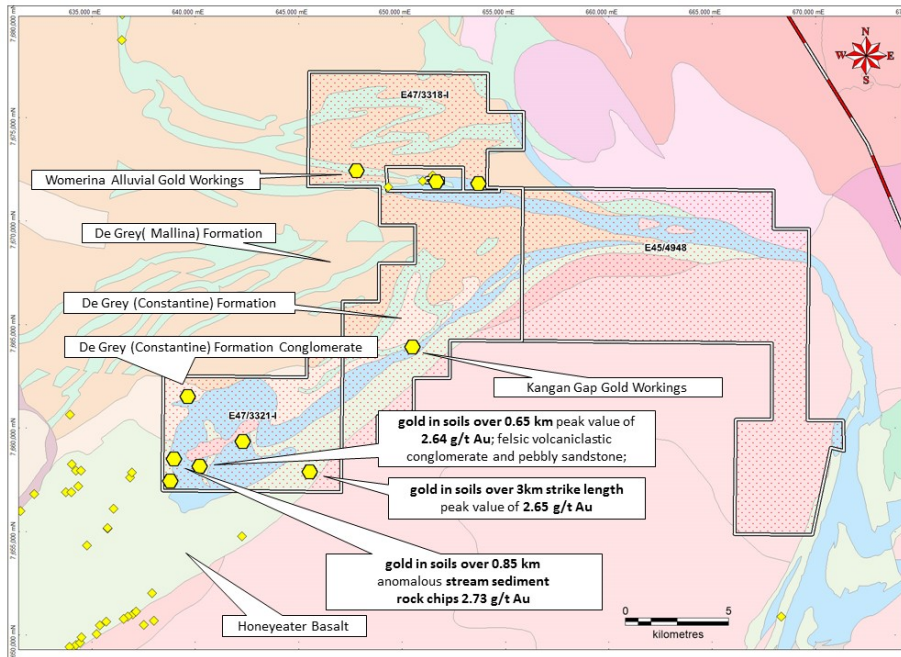
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**Figure 1:** Pioneer’s Kangan Project tenements in Red, Novo’s tenements (blue) and Novo Joint Venture tenements (grey). Yellow markers indicate the location of Gold Prospects.



**Figure 2.** The Kangan Project tenements overlaying 1:500,000 GSWA geological map. showing the 3.0-2.9 Ga age De Grey Group (being the age of the Witwatersrand Supergroup in southern Africa). Yellow shapes are Pioneer's initial gold targets based on data and records of past explorers including the mine operator of the Womerina Alluvial Gold Mine, which is partly within Pioneer's tenements.



**Photograph 1:** Gold nuggets reported from the Womerina Alluvial Gold Mine in December 1988. (refer A 26936).

## GLOSSARY

Elements: “Au” means gold, “Be” beryllium, “Cs” caesium, “Cu” copper, “Ni” nickel, “Ag” silver, “Pb” lead, “Zn” zinc, “Pt” platinum, “Pd” palladium, “Li” Lithium, “Nb” niobium, “Rb” rubidium, “Sb” antimony, “Sn” tin, “Ta” tantalum.

“ppm” means 1 part per million by weight.

“RC” means reverse circulation, a drilling technique that is used to return uncontaminated pulverised rock samples through a central tube inside the drill pipes. RC samples can be used in industry-standard Mineral Resource estimates.

“N”, “S”, “E”, or “W” refer to the compass orientations north, south, east or west respectively.

“pXRF” means portable x-ray fluorescence. Pioneer owns a Bruiker S1 Titan 800 portable XRF analyser which is an analytical tool providing semi-quantitative analyses for a range of elements ‘in the field’.

## REFERENCES

### 1. WAMEX

**A No.:** 79608

**Title:** Yandeyarra Project, Annual Report for the period 27/07/2007 to 26/07/2008, E47/1710.

**Operator(s):** PRIMARY RESOURCES LTD

**A No.:** 81531

**Title:** Yandeyarra Project, Annual Report for period 1 January 2008 to 31 December 2008

**Operator(s):** CHALICE GOLD MINES LIMITED

**A No.:** 26936

**Title:** Womerina Alluvial Gold Mine Progress report

**Operator, Author:** Lateritic Minerals Joint Venture. S. B. Sadler, March 1989

Note 1. **The Continent of Ur and the Beginning of the Crustal Gold Cycle**—Hennigh, Q.T., IGC35, September 1, 2016

Note 2. NI 43-101 Technical Resource Report **Beatons Creek Gold Project Pilbara Region, Australia** August 31, 2015; Prepared By Arnand van Heerden, QP (SACNASP and MAusIMM). (Lithological column with comparative ages see p34.)

Kangan: Company announcement to ASX dated 6 October 2017, 24 October 2017.

The Company is not aware of any new information or data that materially affects the information included in this announcement.

## **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 full time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893) and the Australian Institute of Geoscientists (member 6034). Mr Crook 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 document contains certain statements that may be deemed "forward-looking statements." All statements in this announcement, other than statements of historical facts, that address future market developments, government actions and events, are forward-looking statements.

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

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

Although Pioneer believes the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include new rare earth applications, the development of economic rare earth substitutes and general economic, market or business conditions.

While, Pioneer has made every reasonable effort to ensure the veracity of the information presented they cannot expressly guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein. Accordingly, the statements in the presentation should be used for general guidance only.