

Sale of lower grade pollucite caps off highly profitable mining venture and further strengthens balance sheet

Sale of remaining lower grade material generates a further ~\$1.2 million cash

HIGHLIGHTS

- ⇒ Pioneer Resources enters into separate sales agreement with off-take partner Sinomine Specialty Fluids (SSF) and an associated company covering the sale of lower grade material valued at ~\$1.2 million* from its Sinclair Caesium Mine in WA.
- ⇒ Approx. 7,300 tonnes of ore with an estimated average grade of 4.5% caesium oxide (Cs_2O) being transported to Esperance Port and will be shipped in three parcels, the first departing in late March and the last in May.
- ⇒ Saleable material produced from the Sinclair Mine totalled 10,200 tonnes of crushed pollucite-bearing rock with an average grade of 11.3% Cs_2O plus ~7,300 tonnes of lower grade material of predominantly pollucite, lepidolite and quartz with an average grade of ~4.5% Cs_2O .
- ⇒ The Sinclair Caesium Mine has now generated a \$10 million operating surplus* (sales less royalties and mining costs) and cost \$3 million to discover and develop.
- ⇒ Closing cash balance at end-March is expected to be ~\$5 million, inclusive of the receipt of 80% of the sales value of the lower grade material. This provides a strong platform for Pioneer to progress its Pioneer Dome Lithium Project and other growth initiatives.

Pioneer Resources CEO, Tim Spencer, said: *"Selling the lower grade material is a fantastic bonus and demonstrates not only the value of the caesium we have produced but also the strong relationship that has been developed with Sinomine Resource Group Co Ltd, the parent company of SSF. It also justifies the care taken by our geologists and mining crew to extract as much pollucite as possible during mining operations."*

* Assays on the lower grade material will be reconciled between the parties by June 2020 and the sales value adjusted accordingly.



Figure 1: A Loader parked in the crushed product area at the Sinclair Caesium Mine, Norseman.

This ASX release has been approved by the Board of Directors

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About Pioneer Resources Limited

Following successful completion of the Sinclair Caesium Mine, Pioneer is now a well-funded and active explorer focused on key global demand-driven commodities, looking for its next opportunity to create shareholder wealth through exploration and project development.

The Company operates a portfolio of strategically located lithium, caesium, nickel, cobalt and gold projects in mining regions in Western Australia, plus a high-quality lithium asset in Canada.

Lithium: In addition to the Pioneer Dome LCT Project, the Company holds a 51% Project interest in the Mavis Lake Lithium Project, Canada where Company drilling has intersected spodumene.

Nickel: The Company owns the Golden Ridge Project which includes the suspended Blair Nickel Sulphide Mine, located between Kalgoorlie and Kambalda, WA. Near-mine target generation is continuing, with the Company announcing a new disseminated nickel sulphide drilling discovery at the Leo's Dam Prospect in 2018, highlighting the prospectivity of the greater project area.

Cobalt: Also found as a wide-spread hydromorphic layer throughout the eastern Golden Ridge Project, cobalt is another commodity with demand expanding in response to its requirement in the manufacture of cobalt-based batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses for cobalt include in the manufacture of super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.

Gold: Pioneer's key gold projects are free-carried with well credentialed JV partners:

- Acra JV Project near Kalgoorlie W.A.: Northern Star Resources Limited (ASX:NST) has earned a 75% Project Interest and continues to fully fund exploration programmes until a decision to mine with Pioneer retaining a 25% interest.
- Kangan Project in the West Pilbara W.A: A farmin & JV agreement with Novo Resources Corp (TSXV:NVO) and Sumitomo Corporation will fully fund gold exploration programmes until a decision to mine is made, with Pioneer retaining a 30% interest.
- Balagundi Project: A farmin & JV agreement with where Black Cat Syndicate Limited (ASX:BC8) is earning a 75% interest in the Project located at Bulong, near Kalgoorlie, W.A. Black Cat will then fully fund gold exploration programmes until a decision to mine is made, with Pioneer retaining a 25% interest.

Caution Regarding Forward Looking Information

This document may contain forward looking statements containing 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, variations to sales agreements, 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 would be based on the Company's beliefs, opinions and estimates 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.

Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.