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Pioneer Resources to proceed with Mavis Lithium Project Acquisition and Strategic Alliance

Due Diligence Successfully Completed

Perth, Western Australia, 22 June 2016: Pioneer Resources Limited ("Company" or "Pioneer") (ASX: PIO) is pleased to announce that it has completed its due diligence investigations, and has elected to exercise its option to earn into the Mavis Lithium Project, under a strategic alliance with International Lithium Corp. ("ILC") (TSX.V: ILC). The Project is situated in the Canadian province of Ontario.

- **Due Diligence on Mavis Lithium Project in Canada satisfactorily completed; and**
- **Mavis Lithium Project Strategic Alliance with International Lithium Corp. to proceed.**
- **Exploration Personnel on-site. Field programmes to include:**
    - **A comprehensive geophysical survey to locate pegmatites in underexplored areas;**
    - **Litho and soil geochemistry surveys to highlight prospective pegmatite targets; and**
    - **Diamond core drilling programme.**
- **Identification and assessment of further lithium projects**

ILC geologists are currently on site at the Mavis Lithium Project, and additional field staff from Coast Mountain Geological Ltd and members of the Wabigoon Lake Ojibway Nation have commenced initial field programmes, comprising ground magnetic, litho-geochemistry and soil surveys, which are scheduled for completion in July 2016, with diamond core drilling to follow.

- **Ground Magnetic Surveys** will be used to identify blind, near-surface pegmatite emplacements. Pegmatites typically have low magnetic susceptibility when compared with the encompassing basaltic host rock. The magnetometer survey will be very detailed, taking continuous readings along lines that are spaced 50 metres apart. Approximately 250 line kms are planned and will provide the first property-wide comprehensive magnetic susceptibility modelling utilizing the most up-to-date technology;
- **Litho-geochemical Surveys** sample outcropping rocks to identify the presence of distinct geochemical signatures which form a halo in the basaltic host rocks within several metres of rare metal pegmatites. Experience at the Mavis Lithium Project has demonstrated that these rare metal dispersion halos can be very well developed in areas where pegmatites are known, but more importantly, indicate areas of proximity where pegmatites are buried under soil cover, or do not outcrop;
- **Soil Geochemistry Surveys** are used to identify rare metal dispersion halos expressed in soils where there is limited outcrop to perform a litho-geochemical survey.

These surveys, when combined with prospecting and mapping are intended to identify high priority targets for a subsequent drill programme. Already field reconnaissance this year at the Pegmatite 18 prospect has confirmed an untested spodumene-bearing pegmatite with a surface outcropping strike length in excess of 200m.

- **Drilling:** 1,500m of orientated diamond drilling is forecast. Holes will further test key spodumene intersections from earlier drilling and channel samples including those obtained from 2011 and 2012, at both the Fairservice (Pegmatites 3-6) and Mavis Lake (Pegmatites 17- 18) sites, and with an additional allocation for new targets. Dependent upon the completion of the preliminary field surveys and obtaining regulatory approvals, drilling is likely to commence in September 2016.

The Mavis Lithium Project and the Pioneer-ILC Strategic Alliance

Grey-green spodumene crystals in pegmatite at the Fairservice Prospect.

Cream spodumene crystals in diamond drill core from hole MF-12-24, Fairservice Prospect, drilled in 2012.

Pioneer's Managing Director, David Crook, with a sample of spodumene-bearing pegmatite on site at the Fairservice Prospect in June 2016.

(Top) John Harrop, Dr Fred Breaks, Mike Sieb (ILC) and Adam Peterson (Wabigoon Lake Ojibway Nation) atop a spodumene-mineralised pegmatite.

(Lower) Spodumene megacrystal.

The Agreement with International Lithium Corp provides Pioneer with an immediate, direct exposure to the lithium sector through equity in the Mavis Lithium Project (including the Fairservice and Mavis Lake Prospects), which have known, strongly mineralised, lithium (spodumene) - bearing pegmatites.

Pioneer Managing Director Mr David Crook said:

"We are pleased to report that the due diligence process for the Mavis Lithium Project acquisition and Strategic Alliance has now been satisfactorily completed. The recent visit to the Mavis Lithium Project served to validate and enhance our view of the project's potential and we look forward to working with our partner, International Lithium, to advance the project and thereby add significant value for our shareholders. Field crews are on-site and we look forward to updating the market on our plans and progress in due course."

2016 drilling will initially expand on intersections from 2011 and 2012 programmes, which demonstrated the presence of high-grade, well-evolved, lithium bearing pegmatites; and then move onto new targets.

Table 1: Highlight Drilling Intersections from the 2011 and 2012 programmes.[1]

- MF-11-08: 7m at 1.83% Li_2O from 4m
- MF-11-09: 7.8m at 1.86% Li_2O from 18.85m
- MF-11-12: 16m at 1.53% Li_2O from 125m
- MF-11-12: 26.25m at 1.55% Li_2O from 152m
- MF-11-13: 5m at 1.44% Li_2O from 19m
- MF-11-14: 3m at 2.15% Li_2O from 24m
- MF-12-24: 16.4m at 1.86% Li_2O from 161.9m
- MF-12-25: 5.15m at 1.75% Li_2O from 130.7m
- MF-12-28: 6m at 2.53% Li_2O from 6m
- MF-12-30: 6.95m at 1.45% Li_2O from 32.25m
- MF-12-33: 3m at 2.26% Li_2O from 22m
- MF-12-34: 5m at 1.5% Li_2O from 24m
- MF-12-36: 6m at 1.48% Li_2O from 31m

The highest lithium values on the Mavis Lake Property occur in albite-spodumene-type pegmatites such as Pegmatite 18. Earlier sampling on the Pegmatite 18 prospect by ILC returned grab samples grading up to 3.14% Li_2O[2] and one composite channel sample across part of Pegmatite 18 graded 1.22% Li_2O[2] over 5.3m).

Note 1: Drill core lengths and have not been converted into true width. Appropriate rounding of Li_2O (lithia) values applied.

Note 2: Clarke JG, Breaks FW, Osmani IA, 2010.

The Mavis Lithium Project covers an area of 2624 hectares in north-western Ontario, Canada. Pioneer and ILC have formed a strategic alliance to explore the Project using ILC's existing Canadian-based technical team.

The Mavis Lithium Project is situated 19 kilometres from the town of Dryden, Ontario and approximately 300 kilometres via the Trans-Canada Highway from Thunder Bay, an industrial centre in Ontario. Rail and power is readily available as well as a skilled workforce, experienced in sustainable natural resource development.

Twenty significant sized pegmatites have been identified to date in outcrop within the Mavis Lithium Project properties, within a supporting lithium soil geochemistry anomaly. Individual outcrops vary in strike length from 11 metres to more than 240 metres and range in thickness of up to 12 metres. To date, three generations of drilling since the 1960s have systematically demonstrated that pegmatites at the **Fairservice Prospect** are strongly mineralised, and the first drill holes into the **Mavis Lake Prospect**, drilled in 2011, also intersected spodumene.

About Pioneer Resources Limited

Pioneer is an active junior exploration company focused on the exploration for key global demand-driven commodities. This includes a portfolio of high quality lithium assets, in Canada and Western Australia, and a portfolio of strategically located gold and other commodity projects in sought after mining regions in WA.

The Company aims to deliver shareholder value by actively strengthening its project portfolio through acquiring, pegging and reviewing new opportunities, and targeted exploration programs to facilitate the discovery and commercialisation of high value mineral resources.

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

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Glossary

"Li_2O" means Lithia, or Lithium Oxide, and is the elemental metal quantity converted to its oxide (in percent (%)), which is a form of reporting used for lithium in scientific literature. The conversion factor for Li to Li_2O is 2.152.

"Spodumene" is a lithium aluminosilicate (pyroxene) found in certain rare-element pegmatites, with the formula $LiAlSi_2O_6$. Spodumene is the principal lithium mineral sourced from pegmatites and is the preferred source for high purity lithium products.

"Be" means beryllium, "B" boron, "Cs" caesium, "Li" Lithium, "Nb" niobium, "Rb" rubidium, "Sb" antimony, "Sn" tin, "Ta" tantalum.

"Pegmatite**"** is a common plutonic rock of variable texture and coarseness that is composed of interlocking crystals of widely different sizes. They are formed by fractional crystallization of an incompatible element-enriched granitic melt. Several factors control whether or not barren granite will fractionate to produce a fertile granite melt (Černý 1991; Breaks 2003):

- presence of trapped volatiles: fertile granites crystallize from a volatile-rich melt.
- composition of melt: fertile granites are derived from an aluminium-rich melt.
- source of magma: barren granites are usually derived from the partial melting of an igneous source (I-type), whereas fertile granites are derived from partial melting of a peraluminous sedimentary source (S-type).
- degree of partial melting: fertile granites require a high degree of partial melting of the source rock that produced the magma.

Initially, fractional crystallization of a granitic melt will form barren granite consisting of common rock forming minerals such as quartz, potassium feldspar, plagioclase and mica. As a result, incompatible rare elements, such as Be, Li, Nb, Ta, Cs, B, which do not easily fit into the crystal of these common rock-forming minerals, become increasingly concentrated in the granitic melt as common rock forming minerals continue to crystallize and separate from the melt.

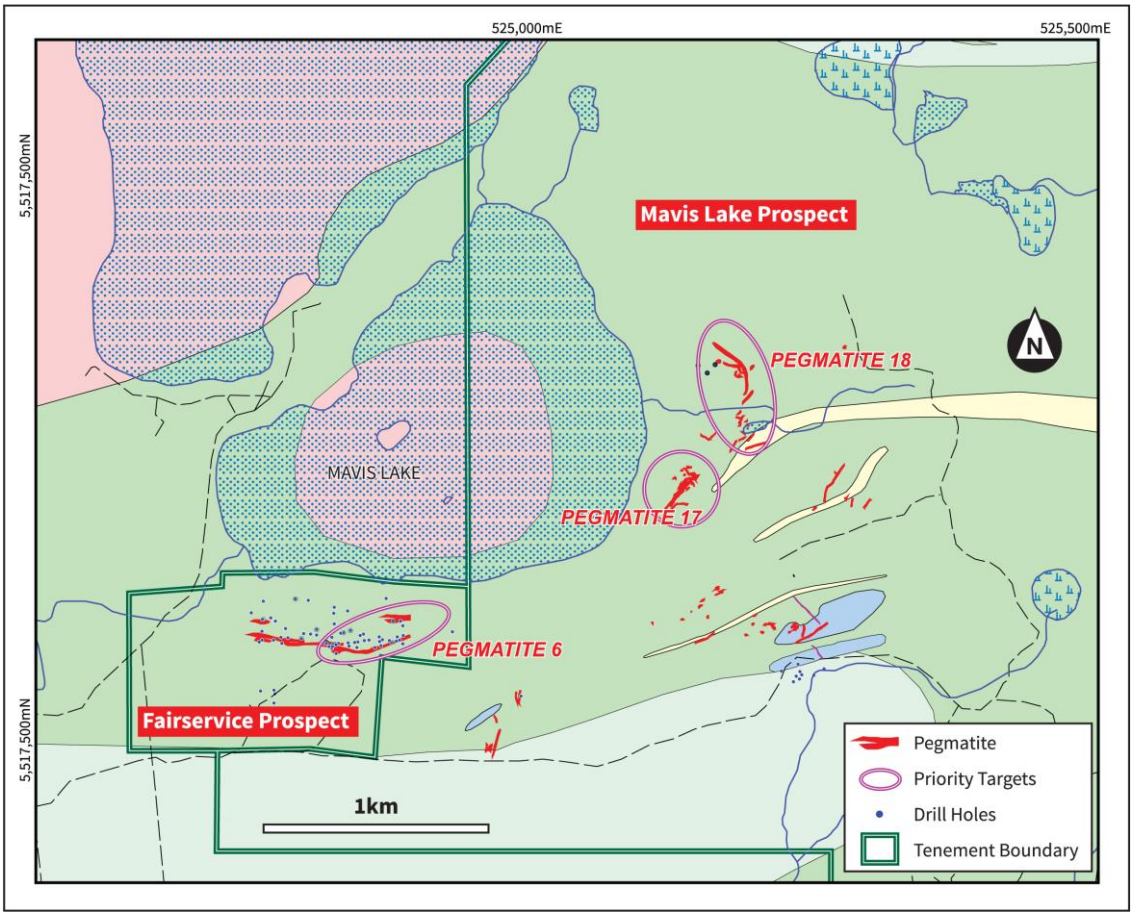

Figure 1. *Project tenure outline, overlaying geology and pegmatite outcrops (numbered).*

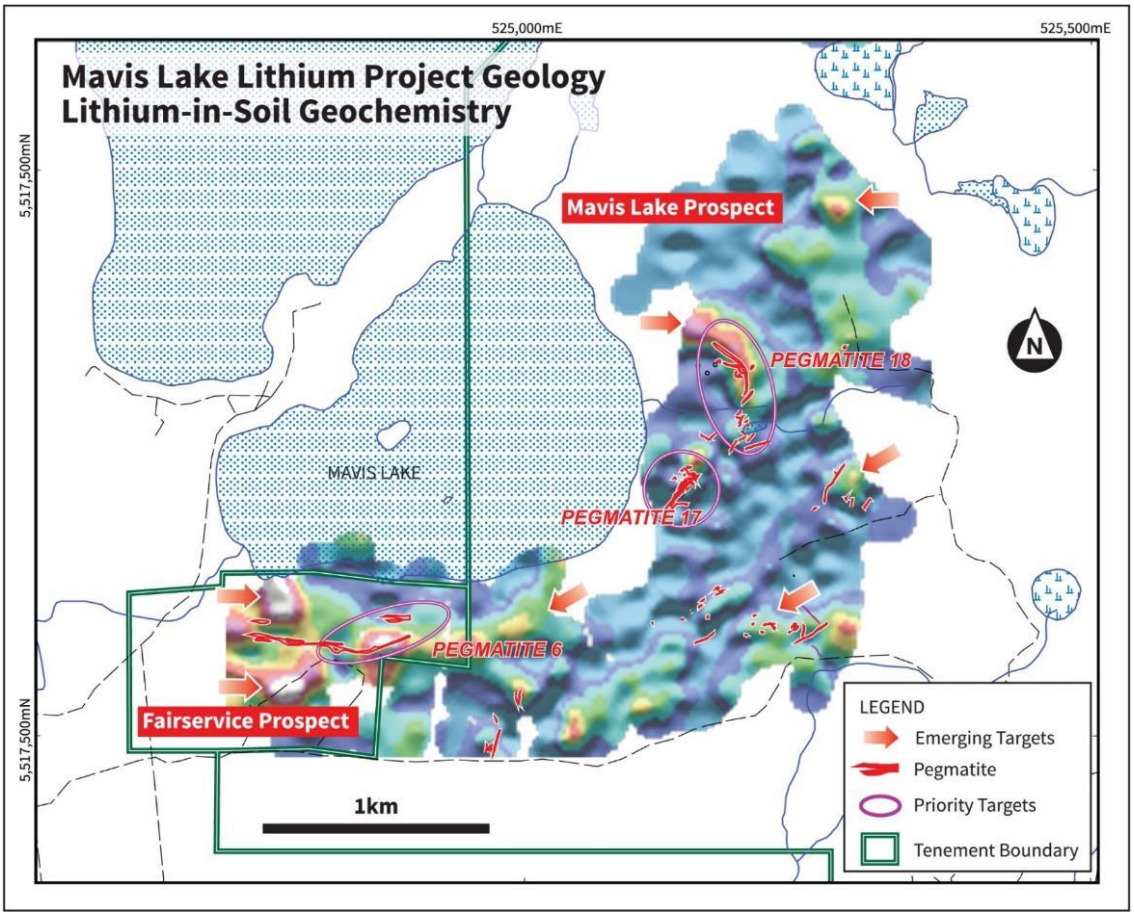

Figure 2. *Levelled and processed image of lithium soil geochemical data, showing emerging targets.*

Key Components of the Transaction

- Pioneer may earn a 51% interest in the Project by expending C$1.5 million on exploration activities within a period of 3 years ("First Earn In"); and paying to ILC a total amount C$375,000 in an approximate 50/50 proportion of cash and shares, in instalments over three years;
- Following the First Earn In, ILC will accrue a 1.5% Net Smelter Return royalty. Pioneer may buy back this royalty for C$1.5 million. In addition, a pre-existing 5% royalty over the Fairservice Prospect may be purchased by the Joint Venture for an additional C$1 million;
- Pioneer may then earn an additional 29% through expending C$8.5 million within 7 years, (total C$10 million over 10 years to earn a total interest of 80%). Thereafter the Joint Venturers will contribute on a pro-rata basis. If either party dilutes to 15% project equity, it will retire from the joint venture and revert to a 1.5% royalty and
- Pioneer will have a right to participate in the acquisition of certain other lithium project opportunities identified by ILC.

Further information on the Mavis Lithium Project and the transaction is provided in previous ASX announcements dated 15 March 2016 and 20 April 2016 respectively. Shareholders approved the acquisition by the Company of the Mavis Lithium Project on 13 June 2016.

For further information about drill intersections noted in the text and on Figures refer to announcements by International Lithium Corporation at www. internationallithium.com including:

- Clarke JG, Breaks FW, Osmani IA: Technical report (NI43-101) on the Mavis Lake Lithium Property, February 5th, 2010
- Drill Program Extended by 46% at Mavis Lake / Fairservice Lithium & Rare Metals project, Ontario, October 11, 2011
- Extensive rubidium and lithium mineralized pegmatites identified Mavis Lake – Fairservice lithium and rare metals project, Ontario, February 21, 2012
- 78 Metre Pegmatite Intersection Returns High Grade Lithium Mavis Lake – Fairservice Lithium and Rare Metals Project, Ontario, January 12, 2012
- ILC Loan Terms with Strategic Partner Ganfeng Lithium Approved. Drilling Commences At Mavis Lake, Ontario, December 3, 2012
- International Lithium Corp. Reports High Grade Lithium from Mavis Lake, Ontario, April 3, 2013
- International Lithium Corp. Reports High Grade Lithium and a New Exploration Target, February 19, 2013

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 activities 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'.

The information referenced in this report from ILC was provided by Mr John Harrop P.Geo (member #19122 in good standing of Association of Professional Engineers and Geoscientists BC). Mr Harrop is the VP Exploration of ILC, and geological consultant. The data was generated by ILC and sourced from ILC databases, with dialogue from reports submitted to the Ontario Government. Mr Harrop and Mr Crook consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Caution Regarding Forward Looking Information

This announcement contains certain statements that may be deemed "forward-looking statements." All statements in this announcement, other than statements of historical facts, that address future market developments, government actions and events, are forward-looking statements.

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

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

Although Pioneer and ILC, believe 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 commodity applications, the development of economic commodity substitutes and general economic, market or business conditions.

While, Pioneer and ILC have 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.

Pioneer Non-Executive Director, Mr Wayne Spilsbury, is also a non-executive director of ILC.