



PIONEER RESOURCES LIMITED  
ABN 44 103 423 981

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## PROSPECTUS

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For the issue of 14,058,215 free Options (**New Options**), on the basis of one (1) New Option for every three (3) Shares subscribed for by Subscribers under the SPP (**SPP Options Offer**)

### IMPORTANT NOTICES

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Options issued under this Prospectus should be considered as speculative.

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## 1. 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)

### Registered Office in Australia

21 Ord Street  
West Perth  
Western Australia 6005  
Telephone: (08) 9322 6974  
Facsimile: (08) 9486 9393  
  
Email: [pioneer@pioresources.com.au](mailto:pioneer@pioresources.com.au)  
Website: [www.pioneerresources.com.au](http://www.pioneerresources.com.au)

### Company Secretary

Julie Anne Wolseley

### Share Registry\*

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

### Auditor\*

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

### Solicitors – Australia

Steinepreis Paganin  
Lawyers and Consultants  
Level 4  
The Read Buildings  
16 Milligan Street  
Perth  
Western Australia 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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## 2. SUMMARY OF IMPORTANT DATES AND INFORMATION

### 2.1 Timetable

Lodgement of Prospectus with the ASIC and ASX	23 September 2016
Lodgement of Appendix 3B with ASX*	23 September 2016
Opening Date*	23 September 2016
Closing Date*	7 October 2016

\*These dates are indicative only and may change without prior notice.

### 2.2 Important notes

This Prospectus is dated 23 September 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options the subject of this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for an issue of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as a full form prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **Risk Factors**

Potential investors should be aware that an investment in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers.

#### **Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3 of this Prospectus.

### **Foreign jurisdictions**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Eligible Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

### ***New Zealand***

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

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### 3. DETAILS OF THE SPP OPTIONS OFFER

#### 3.1 Background of the Offer

On 27 June 2016, the Company announced a share purchase plan offering eligible Shareholders the opportunity to acquire up to \$15,000 worth of Shares at \$0.036 per Share (**SPP**). On 28 June 2016, the Company despatched letters of offer under the SPP to eligible shareholders.

The SPP closed on 20 July 2016 and 42,174,962 Shares (**SPP Shares**) were issued on 21 July 2016 to eligible Shareholders who subscribed for Shares under the SPP, which raised a total of \$1,518,300 (before share issue expenses).

Under the terms of the SPP, the Company undertook to issue eligible Shareholders (including Directors) who subscribed for Shares under the SPP (**Subscribers**), one (1) free New Option for every three (3) Shares subscribed for under the SPP Options Offer. Based upon the 42,174,962 Shares which were issued under the SPP a total of 14,058,215 New Options are due to be issued to Subscribers.

The Company sought and received approval from Shareholders to issue the New Options to Subscribers at the general meeting held on 13 September 2016 (**General Meeting**). Approval was obtained for the issue of 14,058,215 SPP Options including 466,664 New Options to Directors.

This Prospectus makes the SPP Options Offer to the Subscribers.

#### 3.2 The Offer

By this Prospectus, the Company agrees to issue for nil consideration 14,058,215 New Options to Subscribers on the basis of one (1) New Option for every three (3) Shares subscribed for by Subscribers under the SPP.

The SPP Options Offer is only extended to the Subscribers.

No funds will be raised from the issue of the New Options pursuant to this Prospectus as they are being issued for nil consideration.

All of the New Options issued under this Prospectus will be granted on the terms and conditions set out in Section 5.1 of this Prospectus, being the same terms and conditions of the Company's existing listed PLOO Options.

All of the Shares issued upon the future exercise of the New Options issued under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

#### 3.3 Minimum subscription

There is no minimum subscription.

#### 3.4 Eligible Applicants

This Prospectus will be sent to Eligible Applicants only.

An Eligible Applicant is:

- (a) a Subscriber who subscribed and was issued SPP Shares in the SPP; and

- (b) a Director who subscribed and was issued SPP Shares in the SPP and will be offered New Options on the same terms and conditions as other Subscribers.

Eligible Applicants are entitled to one (1) New Option for every three (3) Shares subscribed for under the SPP.

### **3.5 Application for New Options**

Application for New Options can only be made by Eligible Applicants and must be made using the Application Form accompanying this Prospectus.

Eligible Applicants are not required to make any payment for the New Options as the New Options are free options issued to Eligible Applicants pursuant to the terms of the SPP.

Completed Application Forms must be sent to Security Transfer Registrars Pty Ltd by the Closing Date in accordance with the instructions on the Application Form.

### **3.6 ASX Quotation**

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus.

If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), any SPP Options issued will be void in accordance with section 723 of the Corporations Act.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

### **3.7 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing option certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **3.8 Enquiries**

Any questions concerning the Offer should be directed to the Company on +61 8 9322 6974.

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## **4. PURPOSE AND EFFECT OF THE OFFER**

### **4.1 Purpose of the Offer**

The purpose of the Offer is to satisfy the obligation of the Company to issue the New Options to Subscribers under the SPP.

No funds will be raised from the SPP Options Offer as the New Options are free attaching to the SPP Shares on a one (1) for three (3) basis.

### **4.2 Effect of the Offer**

The principal effect of the Offer assuming all New Options offered under the Prospectus are issued will be to:

- (a) increase the number of Options on issue from 79,551,854 as at the date of this Prospectus to 99,610,069 Options following completion of the Offer. This includes 6,000,000 unlisted Options approved by Shareholders on 13 September 2016 due to be issued to Directors within one month of the General Meeting; and
- (b) increase the share option reserve by \$206,178 (and reduce contributed equity by the equivalent amount) immediately after completion of the Offer related to the New Options.

### **4.3 Pro-forma statement of financial position**

The unaudited statement of financial position as at 30 June 2016 and the unaudited pro-forma statement of financial position as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared assuming all New Options are issued under the Offer.

The pro-forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below.

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.



**Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2016**

	<u>Unaudited</u> <u>30 June 2016</u>	<u>Adjustments</u>	<u>Notes</u>	<u>Unaudited</u> <u>Proforma</u> <u>30 June 2016</u>
	\$	\$		\$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5,098,260	1,953,265	1, 7, 8	7,051,525
Other receivables	521,689	(454,965)	7	66,724
Other financial assets	428,242			428,242
<b>TOTAL CURRENT ASSETS</b>	<u>6,048,191</u>			<u>7,546,491</u>
<b>NON-CURRENT ASSETS</b>				
Plant and equipment and motor vehicles	21,928			21,928
Capitalised mineral exploration	8,025,942	114,163	3, 5	8,140,105
<b>TOTAL NON-CURRENT ASSETS</b>	<u>8,047,870</u>			<u>8,162,033</u>
<b>TOTAL ASSETS</b>	<u>14,096,061</u>			<u>15,708,524</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	645,963			645,963
Provisions	127,058			127,058
<b>TOTAL CURRENT LIABILITIES</b>	<u>773,021</u>			<u>773,021</u>
<b>TOTAL LIABILITIES</b>	<u>773,021</u>			<u>773,021</u>
<b>NET ASSETS</b>	<u>13,323,040</u>			<u>14,935,503</u>
<b>EQUITY</b>				
Contributed equity	32,988,552	1,426,285	1, 2, 3, 5	34,414,837
Share option reserve	895,193	374,855	2, 4, 6	1,270,048
Fair value reserve	282,229			282,229
Accumulated losses	(20,842,934)	(188,677)	4, 6, 8	(21,031,611)
<b>TOTAL EQUITY</b>	<u>13,323,040</u>			<u>14,935,503</u>

**Notes**

1. On 21 July 2016 the Company issued 42,174,962 Shares at an issue price of 3.6 cents per share raising \$1,518,300 (before Share issue costs) under the Company's SPP previously announced to ASX on 27 June 2016.

2. A total of 14,058,215 New Options the subject of this Offer will be issued to eligible Shareholders who participated in the SPP. The New Options have been independently valued based upon a value of 1.4666 cents each totalling \$206,178.

3. As approved by Shareholders at the General Meeting, the Company will issue 2,133,409 Shares to Milford Resources Pty Ltd at a deemed issue price of 4.18 cents per share equating to a total of \$89,283. The Share issue relates to tenements applied for by Milford Resources Pty Ltd and offered to the Company. The Share issue will occur within 3 months of the General Meeting.

4. As approved by Shareholder at the General Meeting, the Company will issue a total of 6,000,000 unlisted Options to Directors of the Company within a month of the General Meeting. These unlisted Options will be exercisable at 6 cents each by 31 July 2018. The independent value of these unlisted Options included in the Notice of General Meeting dated 29 July 2016 totalled \$87,996.

5. Pursuant to the Raleigh Lake Lithium Project Joint Venture Heads of Agreement with International Lithium Corp. the Company is required to issue 731,750 Shares at a deemed issue price of 3.4 cents per share as first earn in consideration for the Raleigh Lake Lithium Project valued at \$24,880. This Share issue will occur shortly after the General Meeting.

6. On 5 September 2016 pursuant to a mandate agreement between Sanlam Private Wealth Pty Ltd and the Company a total of 3,270,400 unlisted Options were issued to a nominee of Sanlam Private Wealth Pty Ltd at an exercise price of 5.4 cents each and expiring on 4 September 2018.

7. On 26 July 2016 the Company received \$454,965 from the Australian Taxation Office with respect to refundable R & D tax incentives.
8. Estimated costs of this Offer are \$20,000.

#### 4.4 Effect on Capital Structure

The effect of the SPP Options Offer on the capital structure of the Company is set out below.

##### Shares

	Number
Shares on issue at the date of this Prospectus	1,034,867,169
Shares not yet issued but for which Shareholder approval was obtained at the General Meeting which have yet to be issued to Milford Resources Pty Ltd <sup>1</sup>	2,133,409
Shares not yet issued but which are due to be issued to International Lithium Corp with respect to the first earn in consideration under the Raleigh Lake Lithium Project Joint Venture Heads of Agreement <sup>2</sup>	731,750
<b>Total adjusted Shares on issue at the date of this Prospectus</b>	<b>1,037,732,328</b>

##### Notes:

<sup>1</sup> Pursuant to Resolution 9 in the Notice of General Meeting dated 29 July 2016, Shareholders at the General Meeting approved the issue of Shares to Milford Resources Pty Ltd with the Shares due to be issued within three months of the General Meeting.

<sup>2</sup> In accordance with clause 3(g) of the Raleigh Lake Lithium Project Joint Venture Heads of Agreement the Company is required to issue International Lithium Corp 731,750 Shares as first earn in consideration. The Company intends to issue these Shares on or around 23 September 2016.

##### Options

	Number
<b>Options on issue at the date of this Prospectus on terms as follows:</b>	79,551,854
<u>Listed</u>	
30,281,454 options exercisable at 6 cents each by 31 July 2018 (ASX Code: PLOO)	
<u>Unlisted</u>	
30,000,000 options exercisable at 30 cents each by 15 October 2017	
5,000,002 options exercisable at 2.6 cents each by 30 April 2018	
5,500,001 options exercisable at 5 cents each by 30 April 2018	
5,499,997 options exercisable at 5 cents each by 30 April 2018	
3,270,400 options exercisable at 5.4 cents each by 4 September 2018	
Options due to be issued to Directors and/or their associates for which Shareholder approval was obtained at the General Meeting <sup>1</sup>	6,000,000
New Options under the SPP Options Offer	14,058,215
<b>Total adjusted Options on issue after completion of the Offer</b>	<b>99,610,069</b>

##### Notes:

<sup>1</sup> Pursuant to Resolutions 5 to 8 in the Notice of General Meeting dated 29 July 2016. Shareholders at the General Meeting approved the issue of a total of 6,000,000 Options to Messrs McGown, Crook and Spilsbury and Dr Trench (or their nominees) with the Options due to

be issued within one month of the General Meeting.

The capital structure of the Company on a fully diluted basis:

- (a) as at the date of this Prospectus is 1,114,419,023 Shares; and
- (b) on completion of the SPP Options Offer assuming, no other Shares or Options are issued (other than those noted above) or Options exercised would be 1,137,342,397 Shares.

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## 5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 5.1 New Options

The New Options to be issued pursuant to this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option holder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (WST) on 31 July 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the expiry of any applicable escrow period the Options shall be freely transferable.
- (i) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX, subject to listing conditions being met. In addition, the Company will also apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of

capital offered to Shareholders during the currency of the Options without exercising the Options.

- (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

## 5.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the New Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the

sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. RISK FACTORS**

### **6.1 Introduction**

The New Options issued under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation.

### **6.2 Company specific**

#### **6.2.1 Additional Requirements for Capital and Future Financing**

The Company's capital requirements depend on numerous factors. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and may result in loss of tenure, as the case may be.

The Company may issue further Shares or other securities in subsequent fundraisings. The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issues or the effect, if any, that future issues of securities will have on the market price of the Shares. Issues of substantial numbers of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issue of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

#### **6.2.2 Tenure risk**

Interests in mineral tenements in Australia are governed by State legislation and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

All tenements in which the Company has interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant State governmental department. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being



successful in obtaining required statutory approvals for proposed activities. While the Company anticipates that subsequent renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

In Canada tenements are subject to the applicable mining acts and regulations (as applicable). Title to a mining claim may be subject to the holder complying with the terms and conditions of the claim, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each claim, it may lose its relevant interest or be subject to fines or other variations to the terms and conditions to its mining claims.

### **6.2.3 Joint Venture Parties, Contractors and Contractual Disputes**

The Company is a party to a joint venture agreement with International Lithium Corp. in respect of its Mavis Lithium Project and Raleigh Lithium Project in Ontario, Canada. The Company is thereby reliant upon its joint venture partners complying with their obligations. With respect to this issue, the Directors are unable to predict the risk of:

- (a) financial failure or default by a participant in any joint venture to which the Company is or may become a party; or
- (b) insolvency or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- (c) insolvency or other managerial failure by any of the other service providers used by the Company or its operators for any activity.

### **6.2.4 Exploration Risks**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there can be no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

In addition proposed exploration expenditure of the Company is based on certain assumptions with respect to the method and timing of exploration and feasibility work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice.

### **6.2.5 General risks associated with operating overseas**

As a result of operating in Canada, and potentially other locations, the Company will be subject to the risks associated with operating in such countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations. Changes to mining or investment policies and legislation or a shift in

political attitude may adversely affect the Company's operations and profitability.

#### **6.2.6 Contractual risks**

The ability of the Company to achieve its objectives will depend on the performance by the counterparties to any agreements that the Company may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain contracts to which the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

### **6.3 Industry specific**

#### **6.3.1 Commodity prices**

The Company is seeking to develop projects which will be reliant on the prices of various commodities including lithium, gold and nickel. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

#### **6.3.2 Exploration, geological and development risks**

Mineral exploration and development is a speculative and high risk activity that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond the Company's control. The Company's ability to succeed in this process involves (amongst other things):

- (a) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;
- (b) access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;
- (c) securing and maintaining title to such mineral exploration projects;
- (d) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of the project;
- (e) limitations on activities due to seasonal weather patterns;
- (f) adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (g) unavailability of drilling, mining, processing and other equipment;

- (h) prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals;
- (i) terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes;
- (j) delays in completing feasibility studies and obtaining development approvals;
- (k) risks of default or non-performance by third parties providing essential services; and
- (l) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that forthcoming exploration programmes, or subsequent exploration programmes for its projects based in Western Australia or the exploration assets in Canada will result in the realisation of the Company's objectives such as the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Further, conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. Restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

### **6.3.3 Operational and technical risks**

The operations of the Company may be affected by various factors, including but not limited to:

- (a) failure to locate or identify mineral deposits;
- (b) failure to achieve predicted grades in exploration and mining;
- (c) operational and technical difficulties encountered in mining;
- (d) insufficient or unreliable infrastructure, such as power, water and transport;
- (e) difficulties in commissioning and operating plant and equipment;
- (f) mechanical failure or plant breakdown;
- (g) unanticipated metallurgical problems which may affect extraction costs;
- (h) industrial disputes and labour shortages; and
- (i) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

#### **6.3.4 Resource estimations**

Resources estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

#### **6.3.5 Environmental**

The proposed activities of the Company are subject to the laws and regulations of Australia and Canada (and other locations where the Company may have operations) concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly during advanced exploration and future mining activities. The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

#### **6.3.6 Competition**

The Company competes with other companies, including major mineral exploration and mining companies. These companies will likely have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

#### **6.3.7 Commodity price volatility and exchange rates**

If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate fluctuations and risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold and other commodities such as lithium, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities (including gold) are denominated in United States dollars, whereas the expenditure of the Company is and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Canadian exploration expenditure will also primarily be denominated in Canadian dollars.

In the future, a significant proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and the commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

Furthermore, at this stage the Company has decided to not put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability and/or financial position of the Company.

#### **6.3.8 Unforeseen expenses**

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

### **6.4 General risks**

#### **6.4.1 General economic climate**

The Company's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

#### **6.4.2 Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its controlled entities.

#### **6.4.3 Additional requirements for capital**

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity market for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

#### **6.4.4 Insurance risks**

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not

covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

#### **6.4.5 Market risk and interest rate volatility**

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest rate to the Company and, hence, may affect its profit.

#### **6.4.6 Competition**

There is a risk that the Company will not be able to continue to compete in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

#### **6.4.7 Share market**

There are general risks associated with an investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

#### **6.4.8 Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

### **6.5 Investment speculative**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Therefore, the New Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

As at the date of this Prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **7.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
13 September 2016	Results of Meeting
6 September 2016	Appendix 3B
1 September 2016	Drilling Underway At Pioneer Dome Lithium Project
24 August 2016	Presentation Mining 2016 Conference Brisbane
23 August 2016	Drilling at Pioneer Dome Lithium Project to Commence
17 August 2016	Aust Institute of Geoscientists Presentation
12 August 2016	Notice of General Meeting/Proxy Form
1 August 2016	Quarterly Activities and Financial Report
27 July 2016	5000m RC Drilling for Pioneer Dome Lithium
26 July 2016	\$1 Million Drilling Budget for Canadian Lithium Projects
26 July 2016	Directors' Interest Notices X 4
22 July 2016	Capital Raisings close having raised \$4.8 million
13 July 2016	Share Purchase Plan Extension
13 July 2016	Acquires Raleigh Lithium-Spodumene Project in Ontario
05 July 2016	Relevant Disclosure Listing Rules 7.1A.4(b) and 3.10.5A
05 July 2016	Distribution of EDI Credits
1 July 2016	Section 708A(5)(e) Notice
1 July 2016	Appendix 3B
29 June 2016	Share Purchase Plan Application Form
29 June 2016	Share Purchase Plan Offer Document
28 June 2016	SPP Notice under ASIC Class Order
27 June 2016	Placement of \$3.216m completed and SPP seeks to raise \$2.5m
22 June 2016	Trading Halt
22 June 2016	Mavis Lithium Project To Proceed as Due Diligence Completed
20 June 2016	Gold Coast Investment Showcase Presentation
14 June 2016	Results of Meeting
6 June 2016	Change of Director's Interest Notice
1 June 2016	Appendix 3B
26 May 2016	Exploration Development Incentive and Record Date
19 May 2016	Priority Lithium Targets Confirmed at Pioneer Dome
16 May 2016	Trading Halt
13 May 2016	Notice of General Meeting/Proxy Form
13 May 2016	Reinstatement to Official Quotation
13 May 2016	Response to ASX Price Query
12 May 2016	Suspension from official quotation
9 May 2016	RIU Sydney Company Presentation
2 May 2016	Section 708A(5)(e) Notice
2 May 2016	Appendix 3B
2 May 2016	31 March 2016 Quarterly Activities and Cash Flow Report
29 Apr 2016	Lithium mineralisation in pegmatites at Pioneer Dome



Date	Description of Announcement
29 April 2016	Response to ASX Aware Letter
29 April 2016	Share Placement \$0.458 million
27 April 2016	Trading Halt request
27 April 2016	Trading Halt
26 April 2016	Acquires Donnelly Lithium Project near Greenbushes
20 April 2016	Mavis Lithium Project Field Work Commences June
19 April 2016	Response to ASX Query
6 April 2016	Lithium Tenements Acquired in Phillips River District WA
24 March 2016	Section 708A(5)(e) Notice
24 March 2016	Placement Raises \$1.61 million
15 March 2016	Mavis Lithium Project and International Lithium Corp
15 March 2016	31 December 2015 Interim Financial Report
15 March 2016	High Grade Lithium Project JV Strategic Alliance with ILC
11 March 2016	Trading Halt
26 February 2016	RIU Explorers Conference Presentation
17 February 2016	Company Secretary Resignation
15 February 2016	Drilling at Acra Extends and Identifies New Gold Targets
29 January 2016	Quarterly Activity and Financial Report
27 January 2016	Gravity Survey Refines Targets at Fairwater Nickel Project
23 December 2015	Change of Director's Interest Notice x 4
23 December 2015	Section 708A(5)(e) Notice
23 December 2015	Appendix 3B
18 December 2015	Shallow High Grade Gold at Kalpini South
17 December 2015	Request for Trading Halt
17 December 2015	Trading Halt
17 December 2015	Results from EGM
9 December 2015	Key Nickel Sulphide Indicators in Fairwater Drilling
27 November 2015	Drilling Starts At the Acra Gold Project
17 November 2015	Results of Annual General Meeting
17 November 2015	Managing Director's AGM Presentation
17 November 2015	Chairman's AGM Address
13 November 2015	Notice of General Meeting/Proxy Form
10 November 2015	Fairwater Core Drilling Intersects Mafic-Ultramafic System
6 November 2015	Section 708A(5)(e) Notice
6 November 2015	Appendix 3B
30 October 2015	September Quarterly Activities and Cashflow Report
29 October 2015	Section 708A(5)(e) Notice
29 October 2015	Appendix 3B
21 October 2015	Placement Raises \$525,000
19 October 2015	Trading Halt
16 October 2015	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website being [www.pioneerresources.com.au](http://www.pioneerresources.com.au)

### 7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective latest dates of those sales were:

	Price	Date
Highest	\$0.046	22, 23 and 24 June 2016
Lowest	\$0.021	22 August 2016
Last	\$0.023	22 September 2016

#### 7.4 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

#### 7.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

#### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below. Each Director's entitlement to New Options under this Prospectus as Subscribers under the SPP are also set out in the table below.

Director <sup>1</sup>	Shares	Options <sup>1</sup>	Entitlement to New Options under the Prospectus <sup>2</sup>
Craig I McGown	8,071,427	2,500,000	138,888
David J Crook	9,922,910	7,500,000	138,888
Allan Trench	3,340,330	1,500,000	50,000
Thomas W Spilsbury	4,438,093	1,000,000	138,888

**Notes:**

1. The Directors' optionholdings exclude a total of 6,000,000 unlisted Options approved by Shareholders at the General Meeting and which will be issued within one month of the General Meeting.
2. The Directors will participate in the SPP Options Offer for the purpose of the issue of the New Options in accordance with their participation in the SPP, for which Shareholder approval was obtained at the Company's General Meeting.

**Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive directors (including allowances and share based payments).

Director	FY 2014/15 (\$)¹	FY 2015/16 (\$)	Proposed FY 2016/17 (\$)²
Craig I McGown	111,917	70,313	75,000
David J Crook	505,901	309,066	327,861
Allan Trench	78,400	51,562	55,000
Thomas W Spilsbury	78,400	51,562	55,000

**Notes**

¹ Includes share based payments within total remuneration for the year ended 30 June 2015 comprising for CI McGown \$33,792, DJ Crook \$101,375, A Trench \$20,275 and TW Spilsbury \$20,275. In addition DJ Crook was also paid an annual bonus of \$75,000.

² Excludes any share based payments arising from the issue of options.

**7.6 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
  - (iii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$6,500 (excluding GST and disbursements) for these services.

## **7.7 Consents**

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## **7.8 Expenses of the offer**

In the event that all New Options are subscribed for, the total expenses of the Offers are estimated to be approximately \$20,000 (excluding GST), comprising ASIC fees (\$2,350), ASX fees (\$4,738), legal fees \$6,500 and printing and distribution fees \$6,412. The estimated expenses will be paid out of the Company's existing working capital.

## **7.9 Electronic prospectus**

The Corporations Act allows distribution of an electronic copy of this prospectus and an electronic application form on the basis of a paper prospectus lodged

with the ASIC. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please phone the Company on +61 8 9322 6974 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.pioneerresources.com.au](http://www.pioneerresources.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **7.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **7.11 Privacy Act**

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offers and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offers.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

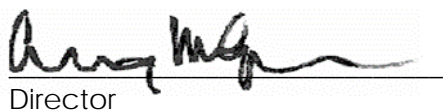
Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

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**8. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Director

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9. **GLOSSARY**

**\$** means the lawful currency of the Commonwealth of Australia.

**Application Form** means the application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors of the Company unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Pioneer Resources Limited (ABN 44 103 423 981).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Applicant** has the meaning given in Section 3.4.

**New Option** means an option to acquire a Share on the terms and conditions set out in Section 5.1 of this Prospectus.

**Offer** means the SPP Options Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share in the Company.

**Option holder** means a holder of an Option.

**Prospectus** means this prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**SPP** means the Company's share purchase plan dated 27 June 2016.

**SPP Options Offer** means the issue of 14,058,215 New Options for nil consideration to Subscribers.

**Subscribers** has the meaning given at Section 3.1 of this Prospectus.

**WST** means Western Standard Time as observed in Perth, Western Australia.