

Budget of C\$1 Million, and 3,000m Core Drilling Forecast for the High-Grade Mavis Lake and Raleigh Lithium Pegmatite Projects, Ontario, Canada

Drilling remains on schedule to start in September 2016

Perth Western Australia, 26 July 2016: Pioneer Resources Limited ("Company" or "Pioneer") (ASX: PIO) and International Lithium Corp ("ILC") (TSX.V:ILC) are pleased to update investors about their exploration programmes at the Mavis Lake and Raleigh Lithium Projects located near Dryden, in northwest Ontario, Canada.

On 25 July 2016 Pioneer completed its due diligence process and formally entered into the Option Agreement to advance the Raleigh Lithium Pegmatite project.

Drilling remains on schedule to start in September 2016

A budget allocation has been made to provide for approximately **3,000m of diamond drilling**, with 1,500m planned at each of the Mavis Lake and Raleigh Lithium Projects.

Drilling is planned at Pegmatites 4, 6, 17 and 18 at the Mavis Lake Project (Figure 2) and initially at Pegmatite #1 at the Raleigh Project (Figure 3), where earlier drilling intersections include:

Mavis Lake Pegmatite 4

- MF-11-08: 7.0m at 1.83% Li₂O from 4m
- MF-11-09: 7.8m at 1.86% Li₂O from 18.85m

Mavis Lake Pegmatite 6

- MF-11-12: 16.0m at 1.53% Li₂O from 125m
- MF-11-12: 26.25m at 1.55% Li₂O from 152m
- MF-12-24: 16.4m at 1.86% Li₂O from 161.9m

Raleigh Pegmatite #1.

- RL10-1: 7.8m at 1.49% Li₂O from 153.2m
- RL10-2: 8.5m at 2.38% Li₂O from 84m
- RL10-6: 14.2m at 1.07% Li₂O from 114m

Magnetic Surveys Advances New-Target Generation

A continuous-reading **ground magnetic survey** has been completed over much of the Mavis Lake Lithium Project and data processing is underway. Pegmatite targets may be evident as zones of low magnetic susceptibility compared to host rocks.

A magnetic survey is also planned for the Raleigh Project. Survey options are being investigated to best suit the local terrain with consideration being given to the use of a low-altitude high-resolution aeromagnetic system.

Mapping Confirms Drill Targets

Mapping and rock sampling (170 samples submitted for assay) is continuing to add to the detailed information about potentially mineralised pegmatites at the Mavis Lake Project ahead of establishing final drilling locations. Field crews will undertake similar programmes of mapping and rock chip geochemistry at Raleigh Lake this month.

Lithium-bearing pegmatites have a distinctive wall-rock mineral assemblage, which often includes the mineral holmquistite. When rock samples have elevated lithium values and holmquistite is present, it is a strong proximity indicator to a mineralised lithium-pegmatite. Holmquistite has been identified at a number of undrilled locations, both at the Mavis Lake and the Raleigh Project.

Raleigh Claim Area Increased by 80%

Additional claims have been staked to encompass extensive highly anomalous rare metals' trends known to host high-grade lithium spodumene pegmatites.

Lithium-focused field-team in place

Pioneer, through its wholly owned subsidiary Pioneer Lithium Canada Corp, has retained Coast Mountain Geological Ltd to provide field services for the Ontario projects. Coast Mountain provides a range of field-orientated mineral exploration and geotechnical services, including for lithium, in Canada and internationally.

About the Mavis Lake and Raleigh Spodumene Pegmatite Projects.

The Company previously announced that it had entered into Option Agreements and a Strategic Alliance with ILC to earn up to an 80% interest (subject to ILC's election to participate) for lithium projects located in Ontario, Canada. Initially announced was the Mavis Lake Lithium Project, on 15 March 2016, followed by the Raleigh Lithium Project on 13 July 2016.

Diamond drilling by earlier explorers intersected complex rare-metal pegmatites with high lithium grades in spodumene at both projects, providing an excellent basis for the next generation of drilling.

The Mavis Lithium Project is situated 19 kilometres east from the town of Dryden, Ontario, and the Raleigh Lithium Project is located a further 65 km southeast of the Mavis Lithium Project. Dryden provides an airport, general labour force, general goods, accommodation and modern services. Both projects are located less than eight kilometres from the Trans-Canada highway and railway (Figure 1). Skilled labour, mining and specialized exploration services and equipment is available from larger cities such as Thunder Bay, Ontario, and Winnipeg, Manitoba, which are located respectively 280 km southeast and 320 km west of Dryden.

About Pioneer Resources Limited

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

The Company is focused on delivering shareholder value by actively strengthening its project portfolio through acquiring, pegging and reviewing new opportunities, and targeted exploration programmes to facilitate the discovery and commercialisation of high value mineral resources.



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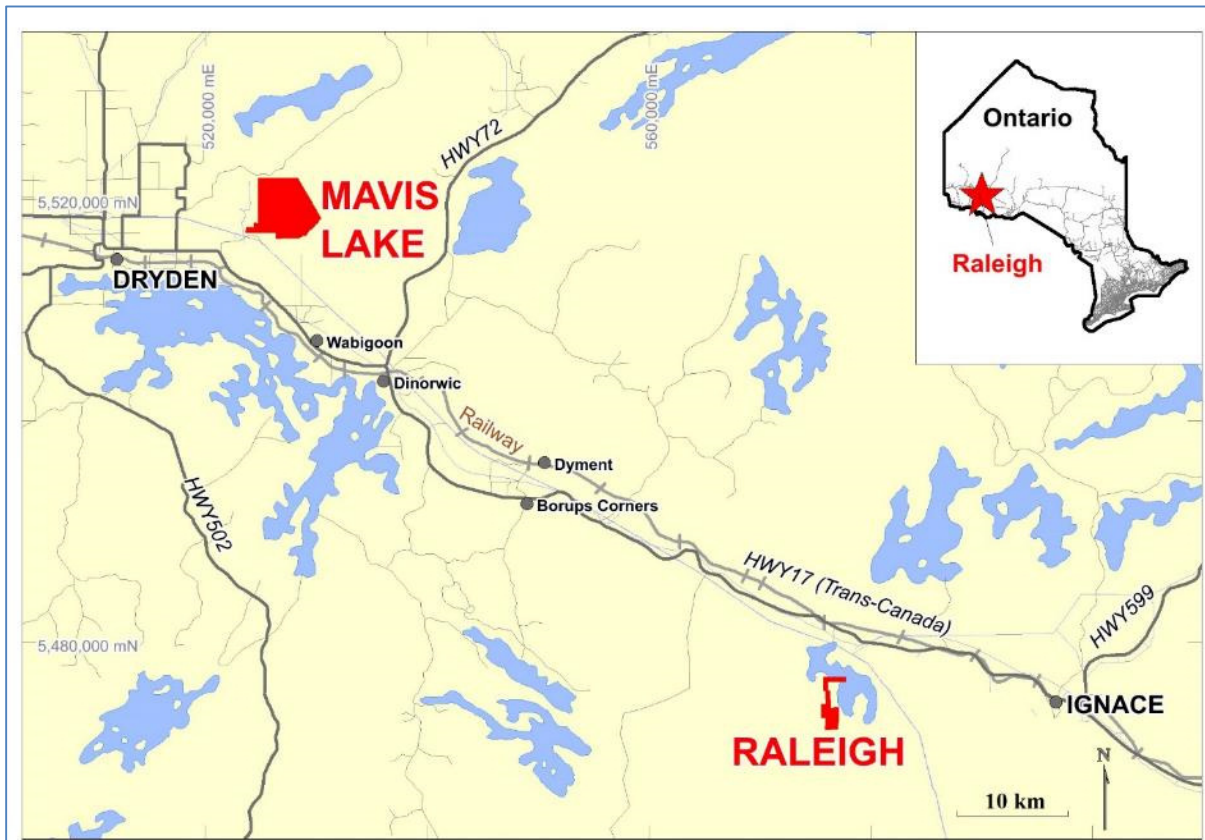


Figure 1: Location of Raleigh and Mavis Lithium Projects, Northwest Ontario, Canada.

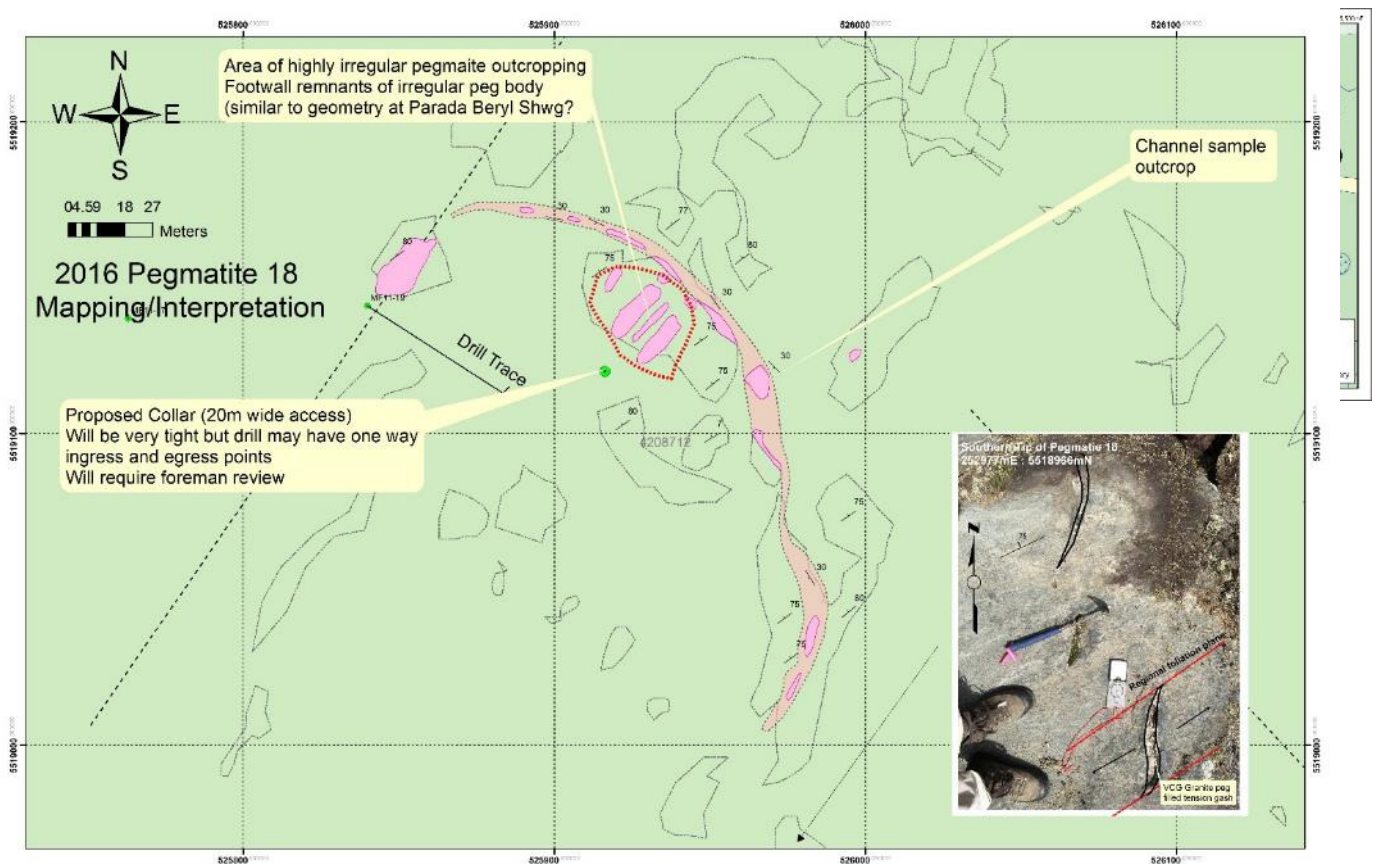


Figure 2. Field map from field reconnaissance visit to Mavis Lake Pegmatite 18, July 2016.

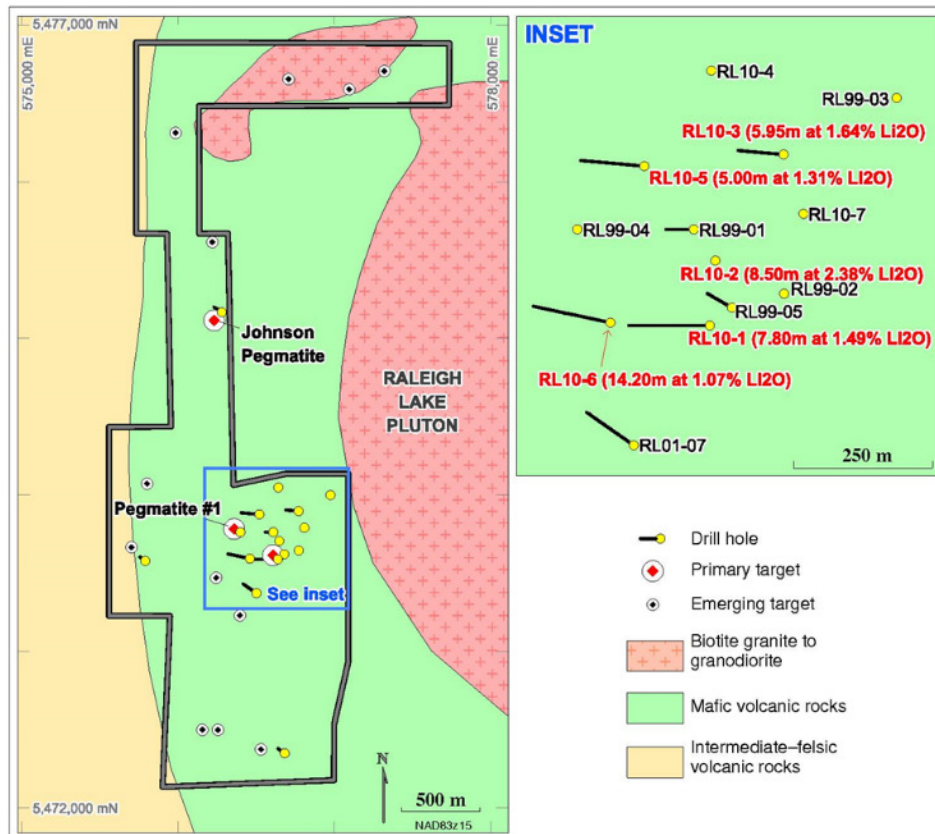


Figure 3. Summary map of the Raleigh Project (does not include newly staked claims) showing pegmatite locations.

Glossary

“Be” means beryllium, “Cs” caesium, “Li” Lithium, “Nb” niobium, “Rb” rubidium, “Sb” antimony, “Sn” tin, “Ta” tantalum.

“Holmquistite” is a lithium magnesium aluminium inosilicate mineral with chemical formula: $\text{Li}_2(\text{Mg}, \text{Fe}^{2+})_3\text{Al}_2\text{Si}_8\text{O}_{22}(\text{OH})_2$. It occurs as metasomatic replacements on the margins of lithium rich pegmatites

“ 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 $\text{LiAlSi}_2\text{O}_6$. Spodumene is the principal lithium mineral sourced from pegmatites and is the preferred source for high purity lithium products.

“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. Because 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.

For further information, please refer to:

- High Grade Lithium Project Joint Venture. Strategic Alliance with International Lithium Corporation, (ASX: 15 March 2016)
- Pioneer Resources to proceed with Mavis Lithium Project Acquisition and Strategic Alliance (ASX: 22 June 2016)
- Second High-Grade Lithium Project Acquired in Ontario, Canada. Raleigh Lithium (Spodumene) Project located nearby to the Mavis Lithium Project (ASX: 13 July 2016)

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'.

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

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

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

Although Pioneer 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 rare earth applications, the development of economic rare earth 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.