

31 October 2012

Pioneer Resources Limited (ASX: PIO)

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

Acquisitions Completed

- ✓ **Golden Ridge Project: Provides access to advanced gold and nickel targets.**
- ✓ **Acra Project: 20km long gold-in-soil anomaly. pmd*^{CRC} highlighted gold target.**
- ✓ **Fairwater Project: Greenfields gold and nickel prospect in the Albany Fraser Ranges.**

Golden Ridge Gold and Nickel Project

- 10,000m RAB drilling program in progress at the Gold Star Gold Prospect.
- 33 line kilometres of EM surveys identify five priority nickel targets.
- 4,060 sample soil geochemistry program identifies further gold and nickel targets.

Juglah Dome Gold Project

- RAB drilling totalling 193 holes for 5,875m completed.
- Three gold prospects - Moonbaker (3m at 18.0 g/t), Axe Patch (3m at 9.0 g/t gold), and John West - identified during 2012.

Fairwater Nickel and Gold Project

- Acquisition of a 75% interest in the Fairwater Nickel and Gold Project provides an early mover entry into the emerging Albany-Fraser mineral province
- Targets already identified, and a 5,000 sample soil geochemistry program to cover two priority nickel and one gold target in progress.

Acra Gold Project

- 10,000m RAB drilling program will commence in November 2012

Corporate

At 30 September 2012 the Company had cash reserves of approximately \$5.2 million, \$3.5 million of cash receivables, and no debt.

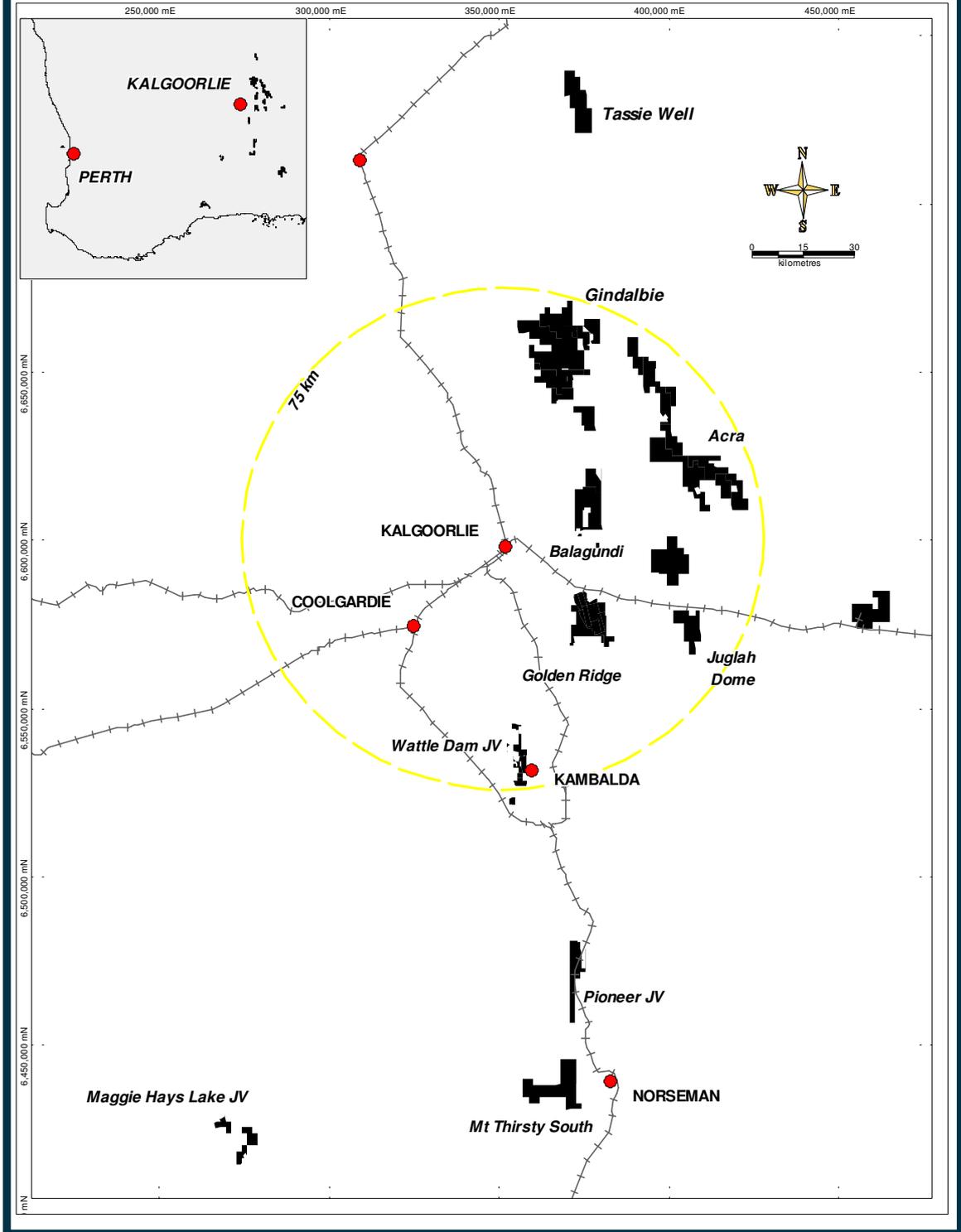


Figure 1: Pioneer Resources Tenement Location Plan

GOLDEN RIDGE GOLD AND NICKEL PROJECT

Pioneer 100%. Gold and Nickel Sulphides

AGREEMENT TO ACQUIRE REMAINING INTEREST IN GOLDEN RIDGE PROJECT

During the quarter Pioneer agreed to buy out its joint venture partner in the Golden Ridge Project and move to a 100% interest in all commodities. **The acquisition delivers a number of advanced gold targets plus the remaining nickel interests to Pioneer including the non-operational Blair Nickel Mine.**

The Golden Ridge Project, located 25 south east of Kalgoorlie, covers 120 km² of predominantly granted mining leases, and contains advanced gold and nickel targets.

RAB DRILLING COMMENCED AT GOLD STAR PROSPECT

Pioneer has commenced a 10,000m RAB drilling program designed to test the continuity between three gold targets identified by earlier tenement holders: Flying Squirrel, Gold Star and Duplex Hill South Target (collectively the “Gold Star Prospect”). Gold is interpreted to occur along continuous parallel structures evident in aeromagnetic images, with a potential strike length exceeding 2 km.

The Company also completed a 4,060 sample soil geochemistry program at Golden Ridge. Results have been received and are being interpreted by Pioneer’s consultant geochemist. The new gold and nickel anomalies will add to the Company’s inventory of targets to drill during 2013.

EM SURVEYS IDENTIFY PRIORITY NICKEL SULPHIDE TARGETS

SAMSON EM surveys were designed to infill or extend coverage over 12 areas selected for proximity to known mineralisation, soil geochemistry anomalism or other geological criteria.

Pioneer’s consultant geophysicist reports that several strong conductors were detected, with the Norton Prospect being a standout. The Norton Nickel Sulphide Target is scheduled for drill testing during 2013.

OUTLOOK

Gold

The Company’s priority strategy is gold discovery at the Golden Ridge Project. On-going exploration programs, which are contingent on results, will include:

- Target development drilling: In a number of instances gold mineralisation in drilling completed by earlier tenement holders remains open, either along the strike length or beneath the plunge of the known mineralisation. Pioneer has commenced drilling as noted at the Gold Star Prospect, and similar drilling programs are required at the Trident, Goat and 18 Footer Prospects.
- Target definition drilling will follow up gold intercepts at the Gold Star Prospect.
- First pass RAB drilling will provide an initial test of gold targets resulting from the recently completed soil geochemistry.

Nickel

The Golden Ridge Project is recognised as highly prospective for nickel sulphides, and the Company has made a significant investment into developing nickel targets for this project.

- In addition to the Norton Nickel Prospect, four other EM conductors have been rated as high priority – Anomaly 11, Blair South, Duplex Hill and Marshall South. These are recommended for detailed FLEM surveys to provide subsurface geometry prior to drilling.
- Following completion of the additional FLEM surveys, the Company will schedule a round of stratigraphic drilling to confirm the nature of the conductors. This is likely to be during 2013.

At present, Pioneer has no intention to re-open the Blair Nickel Mine.

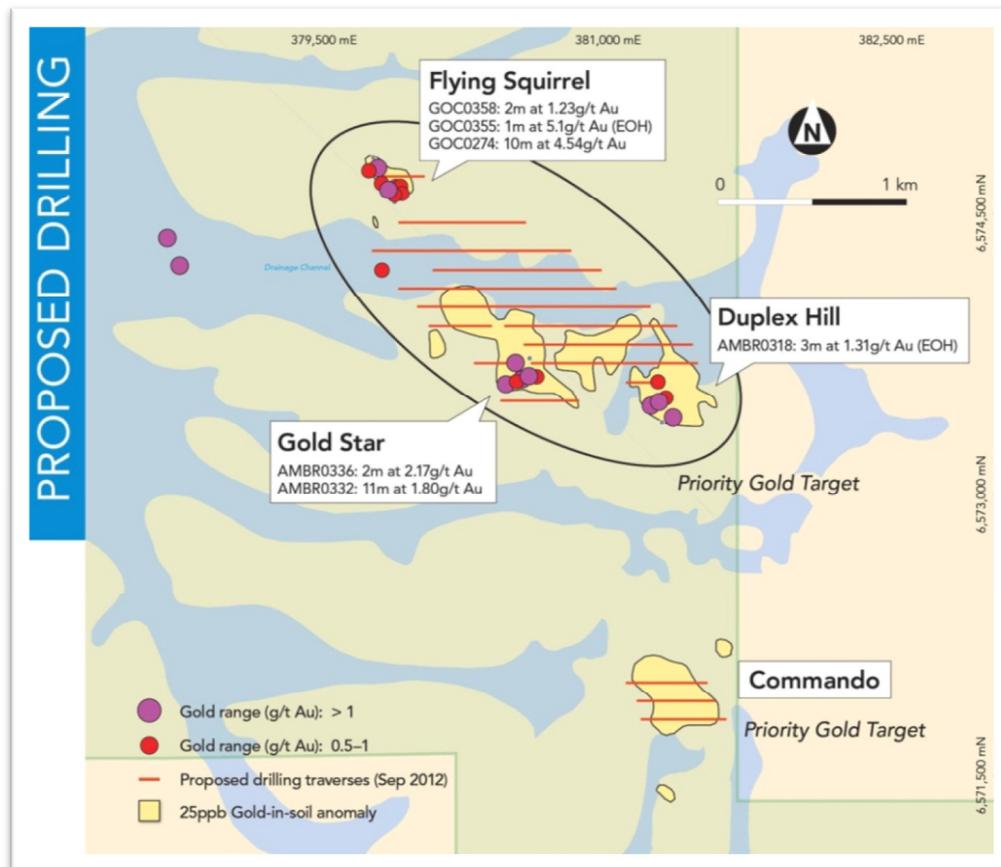


Figure 2: Proposed RAB drilling at the Gold Star Prospect

ACRA GOLD PROJECT

Pioneer 100%. gold

Subsequent to the quarter end, Pioneer finalised an Exchange of Rights Agreement which delivered a 100% interest in gold for the Acra Project, which has a land area of 103km².

The Acra Project is located 60 km east of Kalgoorlie. Most post 1980s exploration has focussed on the discovery of nickel sulphides at the Jones and Jubilee Gossans, and the Acra nickel prospect; although gold was mined at the historic Jubilee Gift underground mine. **During the 2000s multi-element datasets were collected which generated a very large (some 20 km in length), coherent gold anomaly, which attracted Pioneer to the Project.**

The investment case for the Acra Gold Project is considered very compelling.

- A 2010 study by the Predictive Mineral Discovery Cooperative Research Centre (pmd*CRC) of the Australian Geological Survey Organisation (AGSO) gave the immediate Acra area a very high prospectivity weighting.
- Most exploration within the Acra Project to date has focussed on the discovery of nickel sulphides, however 2000s multi-element datasets collected included gold assays. The results indicate a major gold-bearing corridor with a strike length of 20 km. The anomaly is coincident with the pmd*CMC target.
- RAB drilling from the 1980s and early 1990s intersected gold. Drilling ranged in density from 'reconnaissance' in the north of the Project, to higher density but shallow drilling near the historic Jubilee Gift Mine. Because historically the targeted commodity was nickel, much of the early drilling was not assayed for gold.
- RC drilling, usually targeting nickel, intersected gold. There are very few deeper drill holes that specifically targeted gold.
- Four gold-in-drilling anomalies are evident at the southern end of the project with strike lengths ranging from 500m to 2 km. Pioneer's initial drilling will target these areas to test for continuity between the anomalies.

OUTLOOK

A 10,000m RAB drilling program will be completed in early November 2012. This is largely orientation work to establish the depth of the regolith profile, which can then be used to validate the historic drilling.

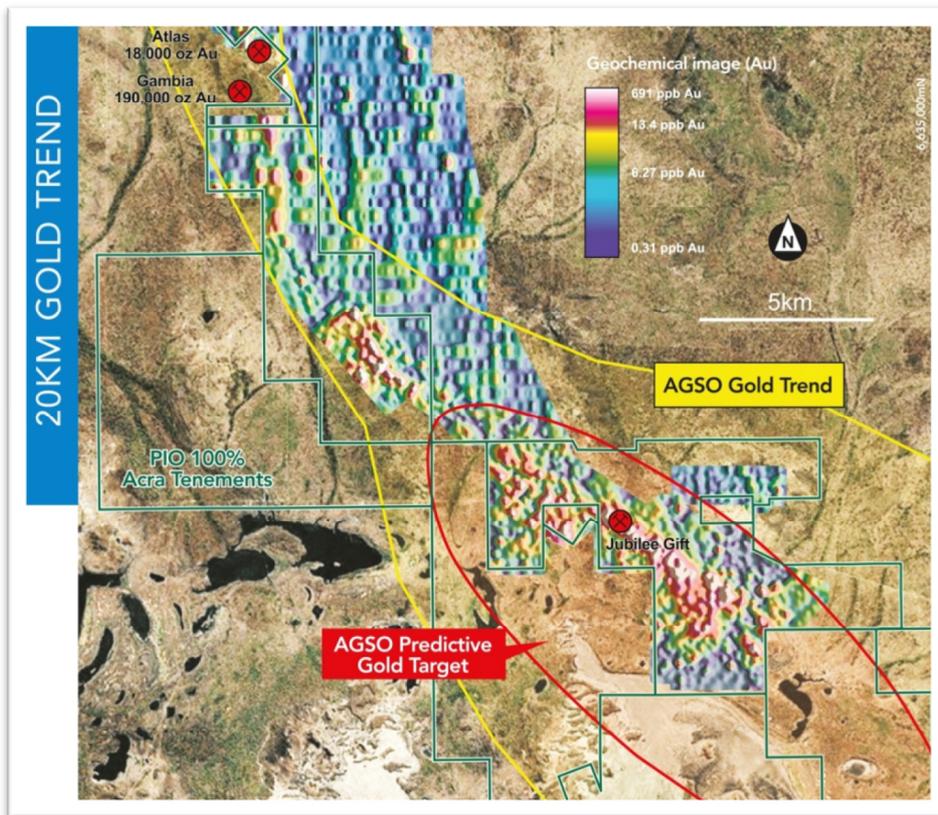


Figure 3: Regional gold geochemistry for the Acra Gold Project.

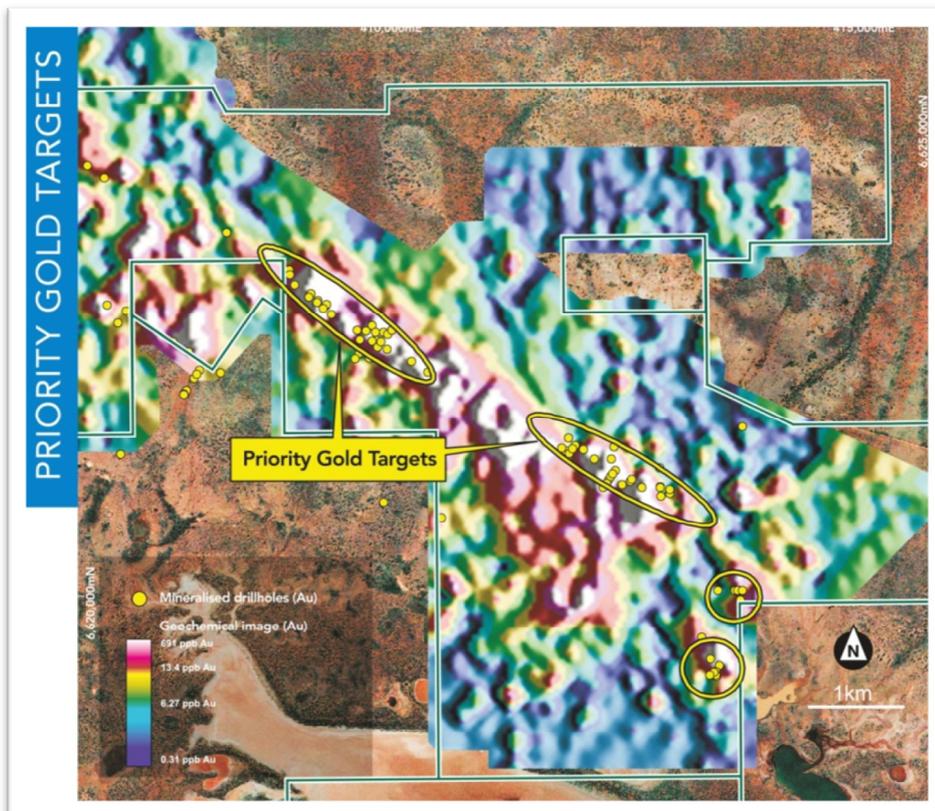


Figure 4: Enlargement showing Jubilee and Acra Gold Prospects

JUGLAH DOME GOLD PROJECT

Pioneer 100%. Gold

RAB DRILLING HITS HIGH GRADE GOLD

The Juglah Dome Gold Project is located 58km southeast of Kalgoorlie, WA. The Project is located 9km southeast of the Majestic and Imperial Gold Deposits, currently being drilled by Integra Mining Limited.

During the quarter, a 193-hole RAB drilling program, targeting gold anomalies generated from soil geochemistry completed earlier this year, intersected high grade gold at three targets:

Moonbaker Prospect: 3m at 18.0g/t Au from 9m, within a broader intercept of 12m at 5.4g/t Au. This hole was drilled to a depth of 21m with the last assay being 3m at 2.2g/t Au. The strongly mineralised drill hole is supported with anomalous gold in adjacent drill holes, both across and along the strike length.

Axe Patch Prospect: 1.1km north from the Moonbaker prospect, RAB drilling returned 3m at 9.0 g/t gold from 42m, within a broader anomalous zone that extended to the end of the hole. This is an isolated hole with adjacent traverses either 200m north or 330m south.

John West Prospect: The combination of geochemistry and a number of adjacent mineralised drill holes across and along the strike length has defined a significant target zone with a length of 900m. Previously, gold nuggets and gold-bearing quartz veins had been located at the John West Prospect.

WORK COMPLETED

Drilling during the September 2012 quarter amounted to 193 RAB drill holes (for 5,875m). RAB drilling is used to test soft, weathered rock for traces of gold and therefore the holes are usually shallow.

Drilling targeted gold anomalies that were generated by Pioneer from a 4,500 sample soil geochemistry program completed earlier this year.

Table 1 Juglah Dome Project: RAB Drilling Results (> 0.5g/t Au)							
Hole ID	East (m)	North (m)	Hole Depth (m)	From (m)	To (m)	Intercept (m)	Au (g/t)
Moonbaker							
JDRB0419	406,22	6,573,443	26	18	21	3	2.12
JDRB0422	406,199	6,573,528	21	18	21*	3	0.52
JDRB0541	406,429	6,573,105	38	27	30	3	0.95
JDRB0571	406,595	6,572,791	31	18	21	3	0.92
Axe Patch							
JDRB0468	405,540	6,574,497	52	42	45	3	9.31

See notes for additional information.

OUTLOOK

- Forthcoming drilling will include the inaugural RC program at the Moonbaker and John West Prospects, and RAB drilling at Axe Patch and John West North Prospects. Both of these drilling programs are planned for completion during the March 2013 quarter.

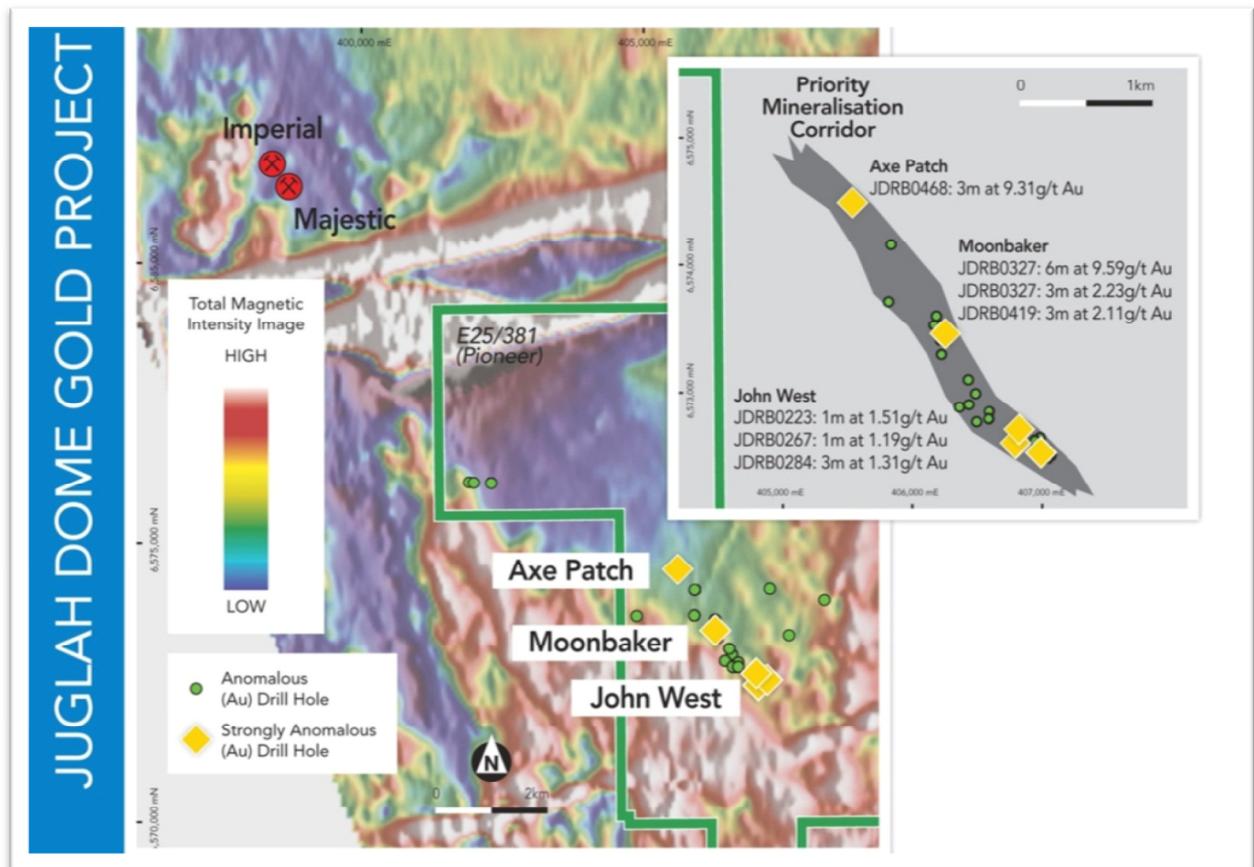


Figure 5: Juglah Dome Project showing gold targets

FAIRWATER NICKEL AND GOLD PROJECT

Pioneer 75%. Nickel and gold

Subsequent to the quarter end, Pioneer reached an agreement with National Minerals Pty Limited, a privately-held exploration company, to acquire a 75% interest in the Fairwater Project in the Albany-Fraser Mineral Province.

The Fairwater Project covers 338 km² of predominantly granted tenure within the Albany-Fraser Orogenic Zone, an emerging mineral province and host to the world-class Tropicana Gold Project and Nova Nickel-Copper discovery.

The project is located approximately 50km southwest of Enterprise Metals Limited's Plato Prospect and 105km southwest of Sirius Resources Limited's Nova Prospect – both of which occur in similar aged Proterozoic rocks.

Soil sampling on an 800x80m grid by Pan Australian Resources NL in 1998 resulted in the identification within the Fairwater Project of two nickel anomalies each with a strike length exceeding 4km, as well as a 6km long gold anomaly. Importantly, these targets occur adjacent to major structural zones capable of acting as conduits for a mineralising event.

OUTLOOK

A detailed soil geochemistry program to infill two priority nickel anomalies and one gold anomaly has commenced. Results are expected during November and will assist the layout of electromagnetic surveys later this year, subject to the availability of a SAMSON EM receiver.

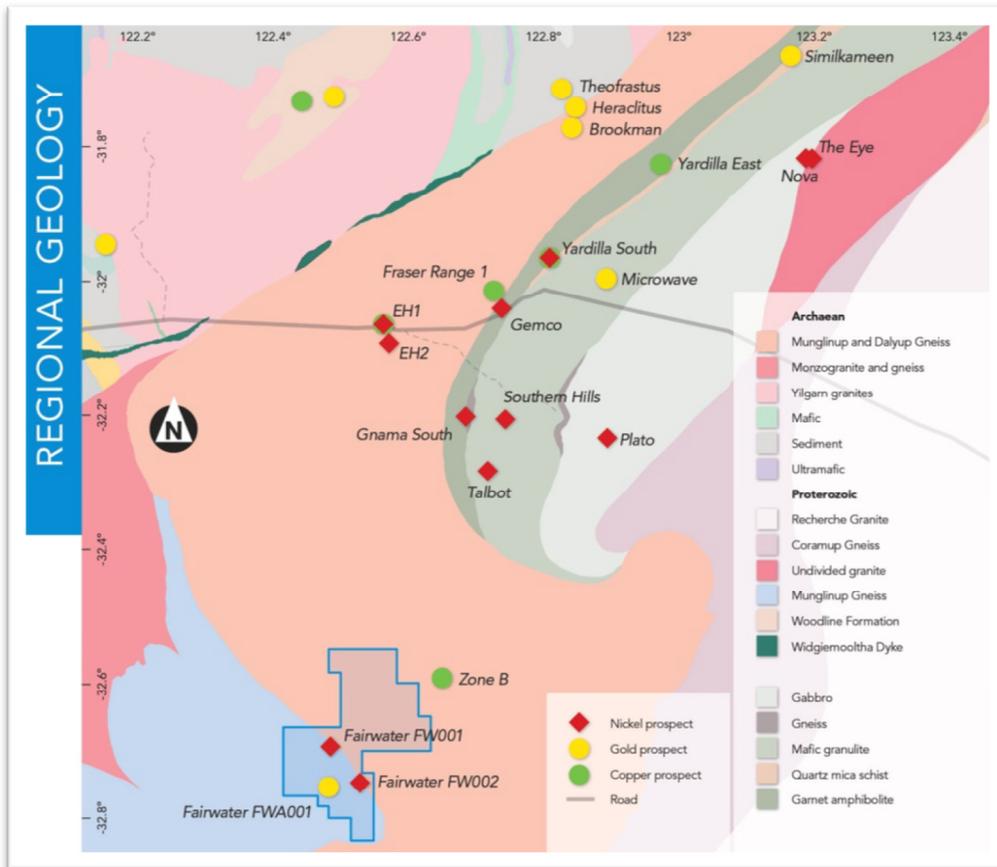


Figure 6: Fairwater Project Location Plan

Yours faithfully

Managing Director

Released by :	Further information:
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Glossary:

“Diamond Drilling” or “Core Drilling” is a drilling technique which uses a diamond-set drill bit to produce a cylindrical core of rock.

“EM” means electromagnetic, a geophysical survey technique used to locate conductive rocks which may include nickel sulphide mineralisation. There are a number of configurations of transmitters, receivers and processing available depending on the application. SAMSON is a type of receiver with a very low signal to noise ratio distinguishing capability.

“FLEM” means fixed loop EM, which is a configuration using a fixed transmitter loop and moving receiver.

“g/t” means grams per tonne (used for precious metals) and is equivalent to ppm.

“ppm” means 1 part per million by weight.

“POW” means program of work, an environmental approval process required by the Department of Mines and Petroleum.

“RAB” means rotary air blast, a cost-effective drilling technique used to sample weathered rock.

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

“Au” means gold.

“Cu” means copper.

“Ni” means nickel.

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

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

Notes for Table 1:

- *Drill hole positions determined by GPS. GDA94-51 datum.*
- *Analytical results by Genalysis Laboratories Pty Ltd: 50g Fire Assay, 0.01g/t lower detection limit.*
- *Intersection grades reported are generally of composites of 3 samples, based on geological or regolith similarities. Length weighted average grade reported.*
- *Intercepts are “down-hole” metres. No estimate regarding true thickness is made or implied.*
- ** Mineralisation extends to the end of the drill hole.*

Competent Person

The information in this report that relates to Exploration Results is based on information 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). Mr Crook has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Crook consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Caution Regarding Forward Looking Information

This document may contain forward looking statements concerning the projects owned by the Company. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, 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 on the Company's beliefs, opinions and estimates of the Company as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

PIONEER RESOURCES LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1014)	(1014)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(288)	(288)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Joint venture exploration funding	-	-
	Other – GST held following sale of Mt Jewell Gold Project	(800)	(800)
	Other income	3	3
Net Operating Cash Flows		(2,087)	(2,087)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(7)	(7)
1.9	Proceeds from sale of:		
	(a) prospects – Western Mt Jewell Gold Project – first instalment*	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Deposit funds re: Sale of Mt Jewell Gold Project	-	-
Net investing cash flows		(7)	(7)
1.13	Total operating and investing cash flows (carried forward)	(2,094)	(2,094)

1.13	Total operating and investing cash flows (brought forward)	(2,094)	(2,094)
	Cash flows related to financing activities		
1.14	Proceeds from capital raisings etc.	-	-
1.15	Share issue costs	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,094)	(2,094)
1.20	Cash at beginning of quarter/year to date	7,298	7,298
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,204	5,204

* As announced on 6 June 2012 the Company completed the sale of its Western Mt Jewell Gold Project to Carrick Gold Limited for A\$8 million, with the first instalment of A\$4.5 million received during the year ended 30 June 2012, and with the balance of A\$3.5 million due as follows: A\$1.2 million on 6 March 2013, A\$1.2 million due 6 March 2014 and A\$1.1 million due on 6 March 2015.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$122
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Within item 1.2

(i) Managing Director and Non-Executive Directors' remuneration - \$119k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	1,050

⁽ⁱ⁾In addition a further A\$0.8m of GST collected by the Company from Carrick Gold Limited in the 30 June 2012 quarter from the sale of the Western Mt Jewell Gold Project will be paid to the ATO in the 30 September 2012 quarter.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	41	22
5.2 Deposits at call	5,159	7,276
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,204	7,298

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	P25/2057	Registered Holder	100%	0%
	P25/2058	Registered Holder	100%	0%
6.2	NIL			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	510,474,885	510,474,885		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted Options	750,000	-	<i>22 cents each</i>	<i>30 June 2013</i>
	Unlisted Options	3,033,332	-	<i>8.5 cents each</i>	<i>30 Nov 2013</i>
	Unlisted Options	3,008,332	-	<i>10 cents each</i>	<i>30 Nov 2013</i>
	Unlisted Options	3,008,336	-	<i>12 cents each</i>	<i>30 Nov 2013</i>
	Unlisted Options	433,333	-	<i>8.5 cents each</i>	<i>31 Dec 2013</i>
	Unlisted Options	433,333	-	<i>10 cents each</i>	<i>31 Dec 2013</i>
	Unlisted Options	433,334	-	<i>12 cents each</i>	<i>31 Dec 2013</i>
	Unlisted Options	4,333,331	-	<i>3.5 cents each</i>	<i>30 Nov 2014</i>
	Unlisted Options	4,333,331	-	<i>4.5 cents each</i>	<i>30 Nov 2014</i>
	Unlisted Options	4,333,338	-	<i>5 cents each</i>	<i>30 Nov 2014</i>
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.1 0	Expired during quarter Unlisted Options				
7.1 1	Debentures (totals only)				
7.1 2	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~not~~ *not* give a true and fair view of the matters disclosed.

Sign here:  Date: 30 October 2012
(Company secretary)

Print name: JULIE ANNE WOLSELEY

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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