



ABN 44 103 423 981

Share Purchase Plan to Raise Up To \$2,500,000

Eligible Shareholders may subscribe for parcels of New Shares at 3.6 cents per New Share.

Parcels of New Shares will be available in amounts from \$900 (25,000 New Shares) up to a maximum value of \$15,000 (416,666 New Shares) per Eligible Shareholder.

The Offer closes at 5.00pm (WST) on Wednesday 13 July 2016.

PIONEER RESOURCES LIMITED

This is an important document that requires your attention.

This document is not a prospectus or other disclosure document under the Corporations Act.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision on whether or not to accept the Offer, you should consult your financial or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS



ABN 44 103 423 981

27 June 2016

Dear Shareholder,

On behalf of the Directors of Pioneer Resources Limited (“**Pioneer**” or “**Company**”), I am pleased to offer for your consideration, the opportunity to participate in a Share Purchase Plan (“**the Plan**”). The Plan follows a successful placement which raised \$3,216,000 (before issue costs) (“**Placement**”). The Placement to professional and sophisticated investors of Sanlam Private Wealth Management comprised the issue of 89,333,333 Shares at an issue price of 3.6 cents per Share together with 29,777,777 options on the basis of one (1) free attaching option (exercisable at 6 cents and expiring on or before 31 July 2018) (“**Placement Option**”) for every three (3) Shares applied for and issued.

Eligible Shareholders are now invited to apply for between \$900 and \$15,000 worth of new fully paid ordinary shares in the Company (“**New Shares**”) at an issue price of **3.6 cents per share (“Offer Price”)**.

The Offer Price represents a discount of 20% to the volume weighted average closing market price of the Company’s Shares traded on ASX in the 5 trading days prior to the announcement of the Plan on 27 June 2016 (Source: IRESS).

The Company plans to issue up to 69,444,444 New Shares to raise a maximum of \$2,500,000 (before issue costs) under the Plan, to fund drilling and other exploration programs as outlined below and in greater detail in the attached Section 3 of the following Offer document.

The Company has also agreed to grant each Eligible Shareholder who participates in the Plan one option (on the same terms as the Placement Options) for every 3 New Shares applied for and issued (“**SPP Option**”). The SPP Options will be subject to shareholder approval and will be issued under a disclosure document. Shareholders should note that there is no guarantee that shareholder approval will be granted and therefore there is no certainty that SPP Options will be issued to participating shareholders. The Company expects to convene a General Meeting to be held on or before 31 August 2016 to consider amongst other items the approval of the SPP Options. The Company also plans to lodge the requisite disclosure document on or around the date of the General Meeting.

Please note that the SPP will be managed on a “first in first served basis” with the final allocation being at the discretion of the Directors. Eligible Shareholders wishing to participate in the SPP are encouraged to apply for shares in a timely manner.

The expected date for the issue of Shares under the Placement will be 1 July 2016.

The Company will apply for quotation of the Placement Options and SPP Options following their issue.

Funds raised are expected to be applied to work programmes at the following of the Company’s projects:

Mavis Lithium Project, Ontario Canada

Twenty pegmatites, many with spodumene in outcrop or with spodumene intersected in drilling, have been identified within the Mavis Lithium Project, and supporting geochemistry suggests that more may be found. Individual outcrops vary in strike up to 240 metres and range in thickness to 12 metres.

1,500m of diamond drilling is forecast. Holes will further test key spodumene intersections from earlier drilling and channel samples, including those obtained from 2011 and 2012 at both the Fairservice (Pegmatites 3-6) and Mavis Lake (Pegmatites 17- 18) sites, and with an additional allocation for new targets generated.

Pioneer Dome Lithium Project, Western Australia

Demonstrated Lithium-endowed pegmatites at the Pioneer Dome Project have been identified. The Project has a large landholding in the Eastern Goldfields, 75km south of the Mt Marion Lithium Mine. Excellent infrastructure, including road, rail and water, runs through the project area.

A 10,000 sample soil geochemistry programme will continue throughout the September 2016 quarter, with drilling staged as results are received. The Project has at least 14 pegmatite clusters identified by earlier explorers, and soil geochemistry and mapping will help determine which of these are prospective for lithium.

As targets are resolved, percussion drilling to test directly for lithium minerals will follow. Initial drill estimates amount to 5,000 metres.

Donnelly River Lithium Project and Phillips River Lithium Project. Western Australia

These projects represent recently pegged tenement opportunities. The priority is to achieve the grant of tenements and secure tenement access rights: with farmers at the Phillips River Project; and with the Department of Parks and Wildlife for the Donnelly River Project.

Assuming the tenements are granted, low impact soil and litho-geochemistry along existing forestry tracks, fence lines and roads will refine targets before detailed work will commence. The Company's objective upon the tenements being granted (which is expected during the September 2016 quarter) will be to immediately commence fieldwork.

Acra Gold Project, Western Australia

Aircore drilling during 2015 extended the known Kalpini South target by 60% - to 240 m. Elsewhere drilling generated 4 new targets in previously undrilled areas, including at the Deep River Prospect, where KPAC078 intersected 21m at 1.0g/t Au including 3m at 4.6g/t Au from 42m, an excellent result from this type of work. Aircore drilling ensures a pipeline of developing targets for future evaluation, and a further 10,000m is proposed for the September 2016 quarter.

In addition, high grade gold intersected in RC drilling at the Kalpini South Prospect demonstrated the deposition of shallow, supergene gold within the regolith. As targets are resolved through aircore drilling, further testing using RC tools will ensue.

Blair Nickel Mine, Western Australia

The Company has recently completed an updated geological model for the Blair Nickel Mine, and geophysical consultants, Newexco Services, has undertaken a review of existing geophysical data within the new geological context. This has identified 5 unresolved nickel sulphide targets.

The Company was recently been granted a drilling subsidy under the Exploration Incentive Scheme, to drill 5 pre-collared diamond drill holes to test the voracity of the Blair geological model. This work is expected to be completed during the December 2016 quarter.

Further information is available from the Company's website at www.pioresources.com.au

It is important that you read the details of the SPP in the pages that follow and consider seeking independent financial advice if you have any queries. It is also important that you carefully read and consider all of the materials enclosed with this letter (including the SPP Terms and Conditions and Application Form) before making any decision to participate in the SPP. You should note that if you apply to participate in the SPP you are accepting the risk that the market price for the Shares may change. It is possible that between the time you make your application and up to or after the date your Shares are issued, you may be able to buy Shares at a lower price than the price shares are issued under the SPP.

Applications will be managed on a "first in first served basis" and in any case must be received by no later than at 5.00pm (WST) on Wednesday 13 July 2016.

Your Directors intend to participate in the Plan and I commend it to you as an opportunity to continue to be a part of the Company's exciting future. Historically, share purchase plans offered by the Company have been very well subscribed and we hope to receive similar support enabling us to continue a full program of exploration activities on these very exciting projects.

Yours faithfully,



Craig McGown

Chairman

THE OFFER AT A GLANCE

Key Dates*

Date	Details
Friday, 24 June 2016	Record Date 5.00pm (WST) The date on which Pioneer determined Shareholders eligible to participate in the Plan, being Shareholders registered on that date with an address in Australia or New Zealand.
Monday, 27 June 2016	Share Purchase Plan Announcement Date
Wednesday, 29 June 2016	Opening Date The date the Plan opens.
Wednesday, 13 July 2016	Closing Date The date on which the Plan closes. Applications and payments (including BPAY) must be received by 5.00pm (WST).
Wednesday, 20 July 2016	Issue Date The date New Shares are issued.
Wednesday, 20 July 2016	Despatch Date The date on which holding statements are sent to Shareholders who subscribed for New Shares under the Plan.
Thursday, 21 July 2016	Share Trading Date The date on which it is expected that the New Shares will commence trading on the ASX.

*The timetable is indicative only and Pioneer may, at its discretion without prior notice by making an announcement to the ASX, subject to the ASX Listing Rules and the Corporations Act 2011 (Cth), vary any of the above dates other than the Record Date. No cooling off rights apply to applications submitted under the SPP. The commencement of quotation of the New Shares issued under the SPP is subject to confirmation from ASX.

Offer Details

Item	Detail
Issue Price	The issue price is 3.6 cents per New Share which represents a 20% discount to the volume weighted average closing market price over the last 5 days on which sales in Pioneer shares were recorded prior to the announcement of the Plan on 27 June 2016.
Minimum Application Amount	The minimum application amount is \$900.
Maximum Application Amount	The maximum application amount is \$15,000.
Permitted Application Amounts	Each Eligible Shareholder is entitled to purchase a parcel of New Shares valued at any of \$900, \$1,800, \$2,700, \$3,600, \$5,400, \$9,000, \$13,500, or \$15,000.

QUESTIONS AND ANSWERS

1. What is the Plan?

The Plan is an opportunity for Eligible Shareholders to purchase up to \$15,000 worth of New Shares each in the Company (with a minimum purchase of \$900 worth of New Shares) without brokerage and commission costs.

All New Shares issued to Shareholders under the Plan will rank equally with existing Shares and will carry the same voting rights and other entitlements.

2. Who is eligible to participate in the Plan?

Shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 24 June 2016 and whose registered address is in Australia or New Zealand are eligible to participate in the Plan.

3. What is the issue price of the New Shares?

The issue price is 3.6 cents per New Share. This price represents a 20% discount to the volume weighted average market price based on closing Share prices over the last 5 days on which sales in Pioneer shares were recorded prior to the announcement of the Plan on 27 June 2016.

You should note that the market price of the Company's Shares may rise or fall between the date of this Offer and the date the New Shares are issued under the Plan. This means that the market price may be higher, equal or lower than the Offer Price of 3.6 cents per New Share at the time the New Shares applied for under the Plan are issued.

4. How many New Shares can I apply for under the Plan?

Regardless of the number of Shares you currently own, you are entitled to apply for a parcel of New Shares in the Company valued at any of \$900, \$1,800, \$2,700, \$3,600, \$5,400, \$9,000, \$13,500 or \$15,000.

If you hold Shares in more than one capacity (for example you are both a joint holder and a sole holder), the maximum amount you can apply for under the Plan in all capacities is \$15,000.

The Directors reserve the right to issue to an Eligible Shareholder less New Shares than the number specified in the Application Form for whatever reason including the possible subscription of over \$15,000 worth of New Shares by an Eligible Shareholder through multiple applications or joint holdings. Fractional entitlements will be rounded down to the nearest whole New Share.

By applying to purchase New Shares under the Plan, you will have agreed to be bound by the terms and conditions of the Plan as set out in this offer document.

5. How do I apply for New Shares under the Plan?

If you wish to participate in the Plan, please follow the instructions set out on the enclosed personalised application form and send this form together with your cheque or money order made payable to "Pioneer Resources Limited" to:

Pioneer Resources Limited
c/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Alternatively you can make a BPAY payment as shown on the Application Form. If you make a BPAY payment, you do not need to return the Application Form. Please note that New Zealand Shareholders are not able to make a BPAY payment.

If you wish to participate you should ensure that your Application Form and payment is received by no later than 5.00pm (WST) on Wednesday 13 July 2016.

Please allow adequate time for mail deliveries.

You will not be able to withdraw or revoke your application once you have sent us the completed Application Form and payment.

6. How long is the Plan offer open for?

The Plan opens on Wednesday 29 June 2016 and is expected to close on Wednesday 13 July 2016. The Directors reserve the right to vary the Closing Date.

If you wish to participate you should ensure that your **Application Form and payment is received by no later than 5.00pm (WST) on Wednesday 13 July 2016.**

7. Do I have to participate in the Plan?

Participation in the Plan is optional. However, the Offer under the Plan is non-renounceable (i.e. you may not transfer your right to acquire New Shares to anyone else).

If you are an Eligible Shareholder and do not wish to subscribe for New Shares under the Plan, you are not obliged to do anything. You will not receive any benefits or New Shares.

Before you apply for New Shares we recommend you seek independent financial advice from your professional advisor or stockbroker.

8. Further assistance

If you have any questions in relation to the Plan please contact your professional advisor or stockbroker.

If you require information on how to complete the Application Form please contact the Company's share registry on (08) 9315 2333.

1. SHARE PURCHASE PLAN

The Plan is intended to raise a maximum of \$2,500,000 and entitles Eligible Shareholders, irrespective of the size of their existing shareholding, to purchase up to \$15,000 worth of New Shares (with a minimum purchase of \$900 worth of New Shares) at a price of 3.6 cents per New Share, free of brokerage and commission.

The issue price of 3.6 cents per New Share represents a 20% discount to the volume weighted average market price based on closing Share prices over the last 5 days on which sales in Pioneer shares were recorded prior to the announcement of the Plan on 27 June 2016 ("**Announcement Date**"). The volume weighted average market price of the Shares traded on the ASX during the 5 trading days immediately prior to the Announcement Date was 4.54 cents per share and the closing price of the Shares immediately prior to the Announcement Date was 4.6 cents per share.

Eligible Shareholders should be aware that the market price of Shares may rise or fall between the Announcement Date and the date on which New Shares are issued under the Plan ("**Issue Date**"). This means the price you pay for New Shares under the Plan may exceed the market price of Shares at the time the New Shares are issued.

The offer of New Shares under the SPP is made to existing Pioneer shareholders in accordance with the requirements of ASIC Class Order [CO 09/425]. This instrument grants relief from the requirement to prepare a prospectus for the offer of New Shares under the SPP. This document is not a prospectus and has not been registered with the Australian Securities & Investments Commission and does not, and is not requested to, contain all the information that a prospectus under Australian law is required to contain.

An outline of the Plan is set out below and the enclosed Terms and Conditions. An Application Form for the Plan and reply paid envelope are included in this package.

2. SHAREHOLDERS ELIGIBLE TO PARTICIPATE IN THE PLAN

The right to participate in the Offer under the Plan is optional and is available exclusively to Shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date of 24 June 2016 and whose registered address is in Australia or New Zealand.

The Company has determined that it is not lawful or practicable for Shareholders in other jurisdictions to participate in the Plan.

3. CURRENT PROJECTS

Mavis Lithium Project

Twenty significant sized pegmatites, many with spodumene mineral evident, have been identified to date in outcrop within the Mavis Lithium Project properties. Supporting lithium soil and litho (rock) geochemistry results that suggest more spodumene-bearing pegmatites may be found. Individual outcrops vary in strike to more than 240 metres and range in thickness to 12 metres. To date, three generations of drilling since the 1960s have systematically demonstrated that pegmatites at the **Fairservice Prospect** are strongly mineralised with spodumene, and the first drill holes into the **Mavis Lake Prospect**, drilled in 2011, also intersected spodumene.

Continuing work programmes, expected for completion during July 2016, include:

- **Ground Magnetic Surveys** to identify blind, near-surface pegmatite emplacements;
- **Litho-geochemical Surveys** sample outcropping rocks to identify the presence of distinct geochemical signatures which form a halo within several metres of rare metal pegmatites.
- **Soil Geochemistry Surveys** are used to identify rare metal dispersion halos expressed in soils where there is limited outcrop to perform a litho-geochemical survey.

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

- **Drilling:** 1,500m of orientated diamond drilling is forecast for the September-November 2016 period; and
- **Identification** and assessment of further potential lithium project acquisitions are on-going.

Pioneer Dome Lithium Project

Following the recent discovery of complex rare metal (including lithium) pegmatites at the Pioneer Dome, work programmes will include:

- **Soil geochemistry and mapping.** A 10,000 sample programme is on-going with the first results reported to the market on 18 May 2016. The Project has at least 14 pegmatite clusters identified by earlier explorers and soil geochemistry will help determine which of these are prospective for lithium. Prospectivity is further determined by geological mapping in instances where pegmatites outcrop, and this will be further aided by use of a pXRF field analyser.
- **Drilling:** As targets are resolved, due to the sparse nature of outcrop at the Pioneer Dome, the next step will be percussion drilling to test directly for lithium minerals. Initial drill estimates amount to 5,000 metres.

Soil sampling will continue throughout the September 2016 quarter, with drilling staged as results are received.

Donnelly River Lithium Project and Phillips River Lithium Project

These projects represent recently pegged tenement opportunities. The priority is to achieve the grant of tenements and secure tenement access rights: with farmers at the Phillips River Project; and with the Department of Parks and Wildlife for the Donnelly River Project.

Assuming the tenements are granted, low impact soil and litho-geochemistry along existing forestry tracks, fence lines and roads will refine targets before detailed work will commence. The tenements may be granted during the September 2016 quarter with fieldwork commencing thereafter.

Acra Gold Project:

Drilling programmes completed in late 2015 included:

- Aircore drilling: This successfully extended the Kalpini South target and generated new targets, including the Deep River Prospect: (KPAC078: 21m at 1.0g/t Au). This further highlights the effectiveness of traverse drilling in areas of alluvial cover, and the potential for further gold discoveries.
- RC drilling intersected high grade gold (9m at 6.17g/t Au) at Kalpini South, demonstrating the presence of a shallow, supergene gold mineralisation.

A further 10,000m of aircore drilling is proposed to provide detailed information for the 2015 targets and generate further new targets, for completion during the September 2016 quarter.

Blair Nickel Mine:

The Company has recently completed a review of the geological setting of the Blair Nickel Mine, recognising that it may represent a geological dome structure.

This has enabled the company's geophysical consultants, Newexco Services, to review and better constrain geophysical data, and this has in turn yielded 5 unresolved nickel sulphide targets.

The Company was recently granted a drilling subsidy under the Exploration Incentive Scheme, to drill 5 pre-collared diamond drill holes to test the voracity of the Blair Dome Model. This work is expected to be completed during the December 2016 quarter.

4. HOW MUCH CAN YOU INVEST?

Eligible Shareholders may apply to acquire between a minimum of 25,000 New Shares worth \$900 and a maximum of 416,666 New Shares worth \$15,000 under the Plan.

5. SUBSCRIPTION AND APPLICATION PROCEDURE

If you would like to participate in the Offer, you can either:

- a) make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding.
 - If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your New Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any New Shares that you may wish to apply for in respect of that holding.
 - If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded.
 - If you make your payment using BPAY® you do not need to return your Application Form.
 - New Zealand holders will not be able to make a payment using BPAY®.
 - Payments made by BPAY® received after 5pm (WST) on **Wednesday 13 July 2016** may not be accepted.
 - Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment.
 - You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.
- b) complete the enclosed Application Form and send it together with your payment by cheque made payable to “Pioneer Resources Limited” and drawn in Australian currency for the correct amount, to Pioneer’s share registry, Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953, to be received no later than **5pm (WST)** on the **Closing Date of Wednesday 13 July 2016**.

Late applications may not be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

Applications received under the SPP will be allocated on a “first in first served basis” and the final allocation decision will be at the sole discretion of the Board.

Eligible Shareholders may participate by selecting only one of the following offers to purchase New Shares under the Plan:

	Total amount payable at 3.6 cents per New Share	Number of New Shares *
Offer A	\$900	25,000
Offer B	\$1,800	50,000
Offer C	\$2,700	75,000
Offer D	\$3,600	100,000
Offer E	\$5,400	150,000
Offer F	\$9,000	250,000
Offer G	\$13,500	375,000
Offer H	\$15,000	416,666

* Any fractional entitlements will be rounded down to the nearest whole New Share.

If Pioneer receives an amount that does not equal one of the amounts specified above, Pioneer may either

- a) reject the Application and refund in full the Application money (without interest) to the Eligible Shareholder; or
- b) apply the dollar amount of the payment to the highest denominated parcel that is less than the amount of the payment and refund the excess Application money (without interest) to the Eligible Shareholder.

Once an application for New Shares under the Offer has been made it cannot be revoked. All valid applications shall be deemed accepted if received before **5pm (WST) on the Closing Date Wednesday 13 July 2016**. If the exact amount of money is not tendered with your application, Pioneer reserves the right to either:

- c) return your Application Form and/or payment and not allot any New Shares to you; or
- d) issue to you the number of New Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any Shareholder may apply for will remain \$15,000 even if a Shareholder receives more than one offer under the Plan (whether in respect of a joint holding or because the Shareholder has more than one holding under a separate account). If two or more persons are recorded in the register as jointly holding Shares to which the Offer under the Plan relates, they are taken to be a single registered holder. It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

If you apply for less than \$900 worth of New Shares, the Company may not issue any New Shares to you in which case it will refund your application monies to you.

6. CUSTODIANS AND NOMINEES

Eligible Shareholders who hold Shares as a custodian or a nominee ("**Custodian**") for one or more persons on the Record Date ("**Beneficiary**") may apply for up to a maximum amount of \$15,000 worth of New Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

7. DIRECTORS AND EMPLOYEES

Directors and employees of Pioneer who hold Shares may be Eligible Shareholders. Directors intend to participate in the Plan.

8. ACCEPTANCE OF RISK FACTORS

On the last trading day immediately prior to the Announcement Date, the closing price of the Shares traded on ASX was 4.6 cents per share.

You should note that the Company's share price may rise or fall between the Record Date, the date of this offer, the date on which you make a BPAY payment or send in an Application Form and the date when New Shares are allotted and issued to you under the SPP. This means that the issue price of 3.6 cents per New Share pursuant to this offer may be either higher or lower than the Pioneer's share price, up to or after the date the New Shares are issued and allotted to you under the SPP and you therefore may be able to buy shares at a lower price on market than the issue price.

Pioneer recommends that you monitor the Pioneer share price and any ASX announcements, which can be found on Pioneer website at www.pioresources.com.au or on the ASX website at www.asx.com.au (ASX code: PIO).

By making an application under this Offer for New Shares under the Plan, each Eligible Shareholder will be acknowledging that although the issue price under the Plan is at a discount to the average closing price of the Shares, the New Shares are a speculative investment and the price of Shares on ASX may change between the Announcement Date and the Issue Date.

This offer document is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional adviser when deciding whether or not to accept the Offer and participate in the Plan.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

9. SCALE BACK AND OVERSUBSCRIPTION

The Offer cannot be transferred and the Directors of the Company, at their sole discretion, reserve the right to reject, or scale back, any application for New Shares under the Offer. New Shares issued under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the New Shares will be made by the Company immediately following the issue of those New Shares.

The maximum amount proposed to be raised under the Offer is \$2,500,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

Applications received under the SPP will be allocated on a "first in first served basis" and the final allocation decision will be at the sole discretion of the Board.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications based on a "first in first served basis". Scale-back for New Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may in their absolute discretion decide to increase acceptances in the event of oversubscriptions.

If the Company rejects or scales-back an application or purported application for New Shares under the Offer, the Company will promptly return to the Shareholder the relevant application monies, without interest.

10. FOREIGN OFFER RESTRICTIONS

This offer document may not be released or distributed in any country other than Australia and New Zealand. This offer document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia and New Zealand. In particular, any securities described in this letter have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

11. NEW ZEALAND SHAREHOLDERS

The New Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who were not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

12. INDICATIVE TIMETABLE

Date	Details
Friday, 24 June 2016	Record Date 5.00pm (WST) The date on which Pioneer determined Shareholders eligible to participate in the Plan, being Shareholders registered on that date with an address in Australia or New Zealand.
Monday, 27 June 2016	Share Purchase Plan Announcement Date
Wednesday, 29 June 2016	Opening Date The date the Plan opens.
Wednesday, 13 July 2016	Closing Date The date on which the Plan closes. Applications and payments (including BPAY) must be received by 5.00pm (WST).
Wednesday, 20 July 2016	Issue Date The date New Shares are issued.
Wednesday, 20 July 2016	Despatch Date The date on which holding statements are sent to Shareholders who subscribed for New Shares under the Plan.
Thursday, 21 July 2016	Share Trading Date The date on which it is expected that the New Shares will commence trading on the ASX.

These dates are indicative only. The Company may vary the dates and times of the Offer. Accordingly, Shareholders are encouraged to submit their Application Forms as early as possible. Should you wish to discuss any information contained in this letter, do not hesitate to contact:

- (i) the Company's share registry, Security Transfer Registrars Pty Ltd, between 8.30am and 5.00pm (WST), Monday to Friday on (08) 9315 2333 during the Offer period; or
- (ii) Pioneer's Company Secretary, Ms Julie Wolseley, or Managing Director, Mr David Crook, on +61 8 9322 6974 or via email at pioneer@pioresources.com.au.

SHARE PURCHASE PLAN TERMS AND CONDITIONS

1. PURPOSE

The purpose of the Plan is to offer Shareholders of Pioneer the opportunity to acquire additional fully paid ordinary shares in the capital of the Company up to a maximum of \$15,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at an issue price of 3.6 cents per New Share and upon such terms and conditions as the Directors of Pioneer in their absolute discretion, see fit.

2. SHAREHOLDERS ELIGIBLE TO PARTICIPATE

Holders of Shares that are registered as at 5.00pm WST on the Record Date, **Friday, 24 June 2016**, with an address in Australia or New Zealand are Eligible Shareholders and may participate in the Plan, unless such registered Shareholder holds Shares on behalf of another person who resides outside Australia or New Zealand.

Due to foreign securities laws, the Company has determined that it is not practical for Shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions.

Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to apply for New Shares under the Plan to another person).

An offer may, at the discretion of the Directors, be made under a share purchase plan once a year.

The maximum amount which any Shareholder may subscribe for under a share purchase plan in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of New Shares to be offered under the Plan and the period the Offer is available to Eligible Shareholders.

3. CUSTODIANS, TRUSTEES AND NOMINEES

If you are an Eligible Shareholder and hold Shares as a Custodian (as defined in ASIC Class Order CO 09/425 (refer below) or in any more specific ASIC relief granted to Pioneer in relation to the Plan), you may apply for up to the maximum amount of \$15,000 worth of New Shares for each beneficiary for whom you act as Custodian provided you annex to your Application Form a certificate to Pioneer ("**Custodian Certificate**") with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a "**Participating Beneficiary**") at 5.00pm (WST) on **Friday, 24 June 2016** who have subsequently instructed you to apply for New Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of New Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- that the application price for New Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as Custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each Participating Beneficiary; and
- where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian Financial Services Licence ("**AFSL**") that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt under:
 - (a) paragraph 7.6.01(1)(k) of the Corporations Regulations;
 - (b) paragraph 7.6.01(1)(na) of the Corporations Regulations;
 - (c) ASIC Class Orders 14/1000 and 14/10001;
 - (d) ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - (e) an individual instrument of relief granted by ASIC to the person in terms similar to

one of the class orders referred to in subparagraph (d) above; or

(f) paragraph 911A(2)(h) of the Corporations Act;

from holding an AFSL for the provision of custodial or depositary services; or

- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate in the Plan on behalf of Beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Beneficiaries. To request a Custodian Certificate you should contact Security Transfer Registrars Pty Ltd between 8.30am and 5.00pm (WST), Monday to Friday on (08) 9315 2333 during the Offer period.

Pioneer reserves the right to reject any application for New Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these Terms and Conditions. Pioneer reserves the right to reject applications in accordance with these Terms and Conditions.

4. PRICE OF PIONEER SHARES

The price of New Shares to be issued under the Plan is 3.6 cents per New Share. This price represents a 20% discount to the volume weighted average market price over the last 5 days on which sales in Pioneer shares were recorded prior to the announcement of the Plan on 27 June 2016.

You should note that the market price of the Company's Shares may rise or fall between the date of this Offer and the date the New Shares are issued under the Plan. This means that the market price may be higher, equal or lower than the price of the New Shares at the time the New Shares applied for under the Plan are issued.

5. APPLICATIONS AND ISSUE

All application money received before the New Shares are issued will be held in a special purpose account. After any application money is refunded (if required) and New Shares are issued to applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Subject to ASX granting the New Shares official quotation, it is expected that the New Shares will be quoted on the ASX by **Thursday, 21 July 2016**. If you trade any New Shares before you receive your Share statement, then you do so at your own risk.

6. ISSUE OF NEW SHARES

New Shares to be issued under the Plan will be issued no later than 10 business days after the Closing Date.

New Shares issued under the Plan will rank equally in all respects with all other Shares from the date of issue. Shareholding statements or CHES notification will be issued in respect of all New Shares issued under the Plan. The Company will, promptly after the issue of New Shares under the Plan, make application for those New Shares to be listed on ASX.

7. MODIFICATION AND TERMINATION OF THE PLAN

Pioneer may modify or terminate the Plan at any time. Pioneer will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Pioneer may issue to any person fewer New Shares than the person applied for under the Plan if the issue of the New Shares applied for would contravene any applicable law or the Listing Rules.

8. OVERSUBSCRIPTION AND SCALE-BACK

The maximum number of New Shares that may be issued pursuant to this Offer is approximately 69,444,444 New Shares to raise approximately \$2,500,000 (before issue costs). The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications based on a "first in first served basis". If the Company rejects or scales-back an application or purported application, the Company will promptly return to the

Shareholder the relevant excess application monies, without interest.

9. COSTS OF PARTICIPATION

No brokerage, commission, stamp duty or other transaction costs will be payable by an Eligible Shareholder in respect of a subscription for, and issue of, New Shares under the Plan. Pioneer will pay to Sanlam Private Wealth Management a 1% fee based on the total funds raised under the SPP.

10. TAXATION AND FINANCIAL IMPLICATIONS

Eligible Shareholders may be subject to taxation upon the sale of the New Shares purchased under the Plan.

Eligible Shareholders should consult with their taxation or investment advisers to clarify the financial and taxation implications for them of applying for New Shares under the Plan.

Pioneer makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Eligible Shareholders to pay any tax (including income tax and withholding tax) in respect of any issue of Shares pursuant to this SPP.

11. REPRESENTATIONS AND WARRANTIES

Returning a completed Application Form or paying the issue price for New Shares by BPAY[®], will be taken to constitute a representation, warranty and agreement by the Applicant that:

- (a) they are an Eligible Shareholder, have read and understood these terms and conditions and subscribe for New Shares in accordance with these terms and conditions;
- (b) they authorise Pioneer to correct minor errors in the Application Form if required, and to complete the Application Form by inserting any minor missing details;
- (c) they acknowledge that the market price of Shares may rise or fall between the date of this offer and the issue date of the New Shares and that the issue price paid for the New Shares may exceed the market price of the Shares on the Issue Date;
- (d) the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the US, or in any other jurisdiction outside Australia or New Zealand, and may not be offered, sold, transferred or otherwise disposed of except in accordance with an available exemption form, or in a transaction not subject to, the registration

requirements of the US Securities Act and any other applicable securities laws;

- (e) they are eligible under all applicable securities laws to receive an offer under the Plan;
- (f) they are not in the United States, are not US Persons and are not acting for the account or benefit of US Persons;
- (g) they have not and will not send this disclosure document or the Application Form to any person in the United States or that is, or is acting for the account or benefit of, a US Person; and
- (h) if in the future they decide to sell or otherwise transfer their New Shares, they will only do so in the regular way transactions on ASX where neither they nor any person acting on their behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is in the United States or is a US Person;
- (i) they acknowledge that you have not been provided with investment advice or financial product advice by Pioneer or Security Transfer Registrars Pty Ltd and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to purchase Pioneer shares; and
- (j) they irrevocably and unconditionally agree to these Terms and Conditions and the terms of the Application Form and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

12. RISK CONSIDERATIONS

By making an application under this Offer for New Shares under the Plan, each Eligible Shareholder will be acknowledging that although the issue price under the Plan is at a discount to the 5 day volume weighted average market price of the Shares prior to the announcement of the Plan on 27 June 2016, the New Shares are a speculative investment and the price of Shares on ASX may change between the Announcement Date and the Issue Date.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional adviser when deciding whether or not to accept the Offer and participate in the Plan.

13. DISPUTE RESOLUTION

Pioneer may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant,

application or New Shares. The decision of Pioneer in this respect will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

Pioneer reserves the right to waive strict compliance with any provision of these Terms and Conditions, to amend or vary these Terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where Pioneer does not notify you of that event.

Pioneer may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determination by Pioneer will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates.

The powers of Pioneer under these Terms and Conditions may be exercised by the Directors or any delegate of the Directors.

14. GOVERNING LAW

This offer is governed by the law in force in Western Australia. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of Western Australia.

15. QUESTIONS AND CONTACT DETAILS

If you have any questions please contact Pioneer's Company Secretary, Ms Julie Wolseley, or Managing Director, Mr David Crook, on +61 8 9322 6974 or email pioneer@pioresources.com.au.

Glossary

Announcement Date means the date of announcement of the Plan to ASX, being **27 June 2016**.

Application Form means the application form attached to or accompanying this offer document.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means 13 July 2016 or such other date as may be determined by the Directors.

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

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

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

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at the Record Date other than a Non-Qualifying Foreign Shareholder.

Issue Date means the date of issue of New Shares to Eligible Shareholders who subscribe for New Shares under the Plan, being 20 July 2016 or such other date as may be determined by the Directors.

New Share means a Share to be issued under the Plan.

Non-Qualifying Foreign Shareholder means a Shareholder whose registered address is not situated in Australia or New Zealand.

Offer means the offer of New Shares pursuant to the Plan.

Opening Date means 29 June 2016.

Placement means as announced on 27 June 2016 the issue of 89,333,333 Shares at an issue price of 3.6 cents per share together with 29,777,777 free attaching options (exercisable at 6 cents each expiring on 31 July 2018) to professional and sophisticated investors of Sanlam Private Wealth Management which raised \$3,216,000 (before issue costs).

Plan means the issue of up to 69,444,444 New Shares to Eligible Shareholders, each of which is entitled to apply for a parcel of New Shares valued at up to \$15,000 in accordance with the terms and conditions.

Record Date means 5pm WST on 24 June 2016.

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

Shareholder means the holder of a Share.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933 as amended.

WST means Australian Western Standard Time.

Competent Person

The information in this document 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 Company's activities under consideration to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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.

Technical Glossary:

Aircore is a blade drilling technique which returns relatively uncontaminated samples through a central annulus inside the drill pipes. It is used to test the regolith (near surface unconsolidated and weathered rock) as an alternative to RAB drilling when conditions are wet, sandy or holes need to go deeper than practical by RAB.

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.

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

Regolith means the layer of loose, heterogeneous material covering solid rock. It includes dust, soil, broken rock, and other related materials. In Western Australia it most commonly refers to the almost ubiquitous layer of weathered and decomposed rock overlying fresh rock.

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.

- (Acra) refer to the Company's announcements dated 16 April 2014, 22 October 2014, 26 June 2015, 6 October 2015, 18 December 2015, 15 February 2016.
 - (Mavis) refer to the Company's announcements dated 15 March 2016, 20 April 2016,
 - (Phillips River) refer to the Company's announcements dated 6 April 2016
 - (Donnelly River) refer to the Company's announcements dated 26 April 2016
 - (Pioneer Dome) refer to the Company's announcements dated 29 April 2016, 18 May 2016
- Also refer to the Company's quarterly Activities Reports.