

PIONEER RESOURCES ACQUIRES DONNELLY LITHIUM PROJECT IN WORLD CLASS GREENBUSHES MINERALS DISTRICT

Further expands lithium project portfolio & exposure to demand-driven commodities

Perth Western Australia, 26 April 2016: Pioneer Resources Limited ("Company" or "Pioneer") (ASX: PIO) is pleased to announce that it has entered into an Option Agreement to acquire a 90% interest in the Donnelly Lithium Project, in the world class Greenbushes Mineral Field, in south-west Western Australia.

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- **Extends from 12 to 60km from the world class Greenbushes Lithium Mine. The Greenbushes Mineral Field hosts the world's largest pegmatite hosted lithium resource**
 - **Project covers approximately 220 km²**
 - **Pioneer can elect to acquire a 90% interest in the Project**
 - **Existing geochemistry anomalies provide initial lithium targets**
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The Project extends from 12km to 60km southwest of the world class Greenbushes Lithium Mine, and comprises two exploration licence applications (E70/4826 and E70/4829) covering a total area of approximately 220km². **Details of the transaction are provided in this ASX announcement.**

LITHIUM TARGETS IDENTIFIED AND EXPLORATION STRATEGY

The Donnelly Project is considered prospective for lithium contained in spodumene-bearing pegmatites of the Lithium-Caesium-Tantalum (LCT) geochemical family. This type of pegmatite hosts the Greenbushes mine, and is similar to that intersected in drilling at Pioneer's recently acquired Mavis Lithium Joint Venture Project in Canada (ASX announcement, 15 March 2016), and targeted at the Company's 100% owned Phillips River Lithium Project in the Great Southern region of WA (ASX announcement, 6 April 2016).

Lithium and other elements associated with LCT pegmatites are evident as anomalies in sampling undertaken by the Geological Survey of Western Australia (Morris P.A. 2008) (*see Figure 1*). To date no follow up exploration has been completed.

Most of the Project is covered with laterite - which is known to degrade and mask pegmatites, however laterite is an excellent geochemistry sampling medium and has been proven very effective by CSIRO to locate LCT-style mineralisation in the Greenbushes district (Smith et al, 1987).

GOOD ACCESS AND CLOSE TO ESTABLISHED INFRASTRUCTURE

The Project is readily accessible through a network of main, regional roads and forestry tracks for access, and water, power, and a skilled work force is close-by. The Port of Bunbury is approximately 120km away.

Pioneer's initial evaluation will comprise reasonably detailed, non-ground-disturbing surface sampling of laterite along forestry tracks, for a suite of elements including lithium, and other pathfinder elements.

A WORLD CLASS MINERAL FIELD

The world class Greenbushes pegmatites are host to the largest pegmatite lithium resource in the world. At December 2012 Mineral Resources totalled 118.4Mt at 2.4% Li₂O (Ingham et al).

Talisson Lithium and its predecessor companies have been producing lithium from the Greenbushes Lithium Operations for over 25 years and it is recognised as the longest continuously operated mining area in Western Australia. Tin mining commenced in the Greenbushes area in 1888 and mining of tantalum commenced in the 1940s. Initial development of the lithium ore body at Greenbushes commenced in 1983 and the first lithium processing plant was commissioned in 1985.

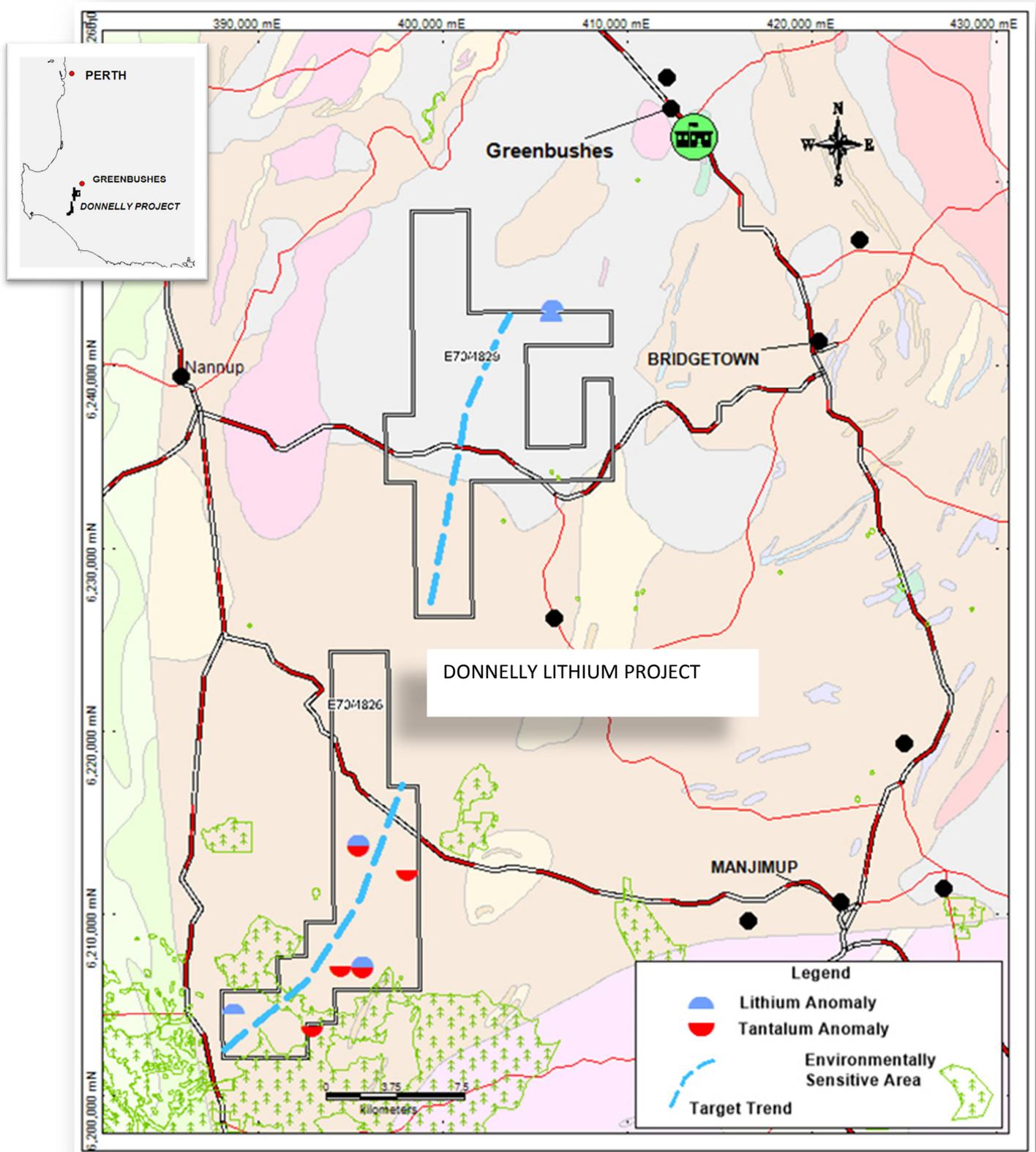


Figure 1. Location of the Donnelly Lithium Project tenements and geochemistry anomalies (Morris P.A. 2008).

TRANSACTION

- An initial payment of \$10,000 for an exclusive option to transact on the Tenements once granted;
- When the Tenements the subject of current applications are granted or if Pioneer withdraws from the option, it will pay the Tenement holders (being an entity associated with Paul Askins and Helen Ansell (“Vendor”)) \$25,000;
- Annually thereafter, Pioneer to pay a \$35,000 annual option extension payment to the Vendor, and keep the tenements in good standing;
- Pioneer may exercise the option to acquire a 90% interest in the Tenements at any stage for \$1,000,000; after which
- The Vendor may enter into a Joint Venture and contribute to further expenditure on a pro-rata basis (being 10% under these circumstances); or revert to a 1.5% royalty.

ABOUT PIONEER RESOURCES LIMITED

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

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

Lithium has been classed as a ‘critical metal’ meaning it has a number of important uses across various parts of the modern, globalised economy including communication, electronic, digital, mobile and battery technologies; and transportation, particularly aerospace and automotive emissions reduction. **Critical metals seem likely to play an important role in the nascent green economy**, particularly solar and wind power; electric vehicle and rechargeable batteries; and energy-efficient lighting.

The Mavis Lithium Project is located in south western Ontario, Canada, covering an area of 2,624 hectares. The Project is situated 19 kilometres from the town of Dryden, Ontario and approximately 300 kilometres via the Trans-Canada Highway from Thunder Bay, an industrial centre in Ontario. Pioneer may earn an initial 51% interest in the Mavis Lithium Project through expending \$1.5 million within 3 years.

Drilling by earlier explorers intersected complex spodumene-pegmatites with high lithium grades at the Fairservice and Mavis lake Lithium Prospects. The most recent drilling was conducted by International Lithium Corporation (ILC – TSX-V) during 2011 and 2012, which returned very encouraging results.

Twenty pegmatites have been identified to date in outcrop within the Mavis Lithium Project properties. Individual outcrops vary in strike length from 11 metres to more than 240 metres, and range in thickness up to 12 metres. Drilling included 6m at 2.53% Li₂O from 6m and 26.25m at 1.55% Li₂O from 152m (**Fairservice Prospect**) and 5.35m at 1.51% Li₂O (**Mavis Lake Prospect**) (see PIO ASX announcement, 15 March 2016). Further drilling is scheduled for June 2016.

The Phillips River Lithium Project, Western Australia, was pegged by the Company and announced to the market on 6 April 2016. Geochemistry sourced from a Geoscience Australia publication, and roadside sampling by an earlier explorer has indicated 2 standout lithium anomalies supported by modified pegmatite PEG-4 index values, and a number of other lithium anomalies which warrant further investigation.

The Company’s commitment to other projects, including its 100%-held Acra Gold Project, remains unchanged and it will provide details of the next phase of planned exploration initiatives in due course.

-ENDS-



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GLOSSARY

“Li₂O” 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 Li₂O is 2.152.

“Laterite” means a soil and rock type rich in iron and aluminium, developed by intensive and long-lasting weathering of the underlying parent rock.

“Spodumene” is a lithium aluminosilicate (pyroxene) found in certain rare-element pegmatites, with the formula LiAlSi₂O₆. Spodumene is the principal lithium mineral sourced from pegmatites and is the preferred source for high purity lithium products.

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

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

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

Initially, fractional crystallization of a granitic melt will form barren granite consisting of common rock forming minerals such as quartz, potassium feldspar, plagioclase and mica. 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.

REFERENCES

Černý, P., 1991: *Rare-element granitic pegmatites: Part I, anatomy and internal evolution of pegmatite deposits; Geoscience Canada, V. 18, No. 2, p.49-67.*

Ingham, P.D. et al; Behre Dolbear Australia Pty Limited, 2012; *Greenbushes Lithium Operations Ni 43-101 Technical Report*

Morris P.A.; Geological Survey of Western Australia Record 2008/8; *Stream-Sediment Geochemistry From The Southwest Of Western Australia — A Pilot Study*

Smith, R.E., J.L. Perdrix, J.L and Davis, J.M 1987: *Dispersion Into Pisolitic Laterite From The Greenbushes Mineralized Sn-Ta Pegmatite System, Western Australia. JGE, 28, 251-265*

COMPETENT PERSON

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook and Dr Nigel Brand. 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 exploration processes 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'.

Dr Brand is the principal of geochemical consultancy Geochemical Services Pty Ltd, and is 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 and Dr Brand 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 presentation, 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 believes 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 has 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.