



PIONEER RESOURCES LIMITED
ABN 44 103 423 981

2014

Full Financial Annual Report
For the year ended 30 June 2014

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PIONEER RESOURCES LIMITED

ABN 44 103 423 981

CORPORATE DIRECTORY

DIRECTORS

Craig Ian McGown
Independent Non-Executive Chairman

David John Crook
Managing Director

Allan Trench
Independent Non-Executive Director

Thomas Wayne Spilsbury
Independent Non-Executive Director

JOINT COMPANY SECRETARIES

Julie Anne Wolseley
Susan Patricia Hunter

PRINCIPAL REGISTERED OFFICE

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West Perth
Western Australia 6005

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West Perth
Western Australia 6872

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BOULDER OFFICE

2 Hopkins Street
Boulder
Western Australia 6432

Telephone: (08) 9093 1299

AUDITOR

Deloitte Touche Tohmatsu
Level 14, 240 St Georges Terrace
Perth
Western Australia, 6000

SHARE REGISTRY

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

SECURITIES EXCHANGE LISTING

The Company's shares are quoted
on the Australian Securities Exchange.
The Home Exchange is Perth.

ASX CODE

PIO - ordinary shares

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report on Pioneer Resources Limited and the entities it controlled at the end of and during the year ended 30 June 2014.

DIRECTORS

The names and details of the Directors of Pioneer Resources Limited during the financial year and until the date of this report are:

Craig Ian McGown – *B Comm, FCA, ASIA*
Independent Non-Executive Chairman

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 35 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown brings to the Board a comprehensive knowledge of equity and debt markets and financing of resource projects. During the three year period to the end of the financial year, Mr McGown held directorships in Entek Energy Ltd (18 July 2008 to 28 February 2011), Peel Mining Limited (1 February 2008 to 9 April 2013) and Bass Metals Limited (7 July 2004 to 4 October 2013).

David John Crook – *B.Sc, MAusIMM, GAICD*
Managing Director

Mr Crook was appointed the inaugural Managing Director of the Company on 11 August 2003. Mr Crook is a geologist with over 30 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles including the Company's IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade engaged in operating gold mines. Prior to being employed by the Company his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production at the Gidgee Gold Mine during the 1980-1990s and prior to being employed by the Company was the exploration manager at Heron Resources Limited for seven years.

Allan Trench – *B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, MAusIMM, FAICD*
Independent Non-Executive Director

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including nickel, copper, gold, oil & gas and also across a number of the minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd, Woodside Energy and with the independent mining & metals analysis global consultancy CRU Group. He is presently a Professor of Mineral Economics at the Curtin University of Technology Graduate School of Business and is also a Research Professor (Risk & Value) at the Centre for Exploration Targeting, University of Western Australia.

During the three year period to the end of the financial year, Dr Trench also held directorships in Hot Chili Ltd (19 July 2010 to present), Enterprise Metals Limited (3 April 2012 to present), Trafford Resources Limited (7 May 2012 to present), Anova Metals Limited - formerly Kimberley Rare Earths Limited (2 December 2010 to 7 February 2013), Venturix Resources Limited (12 November 2008 to 17 April 2013) and Navigator Resources Ltd (14 November 2005 to 31 December 2013).

Thomas Wayne Spilsbury – *B.Sc (Hons), M.Sc (Applied Geology), APEGBC (P. Geo.), FAusIMM (CP), MAIG, GAICD*
Independent Non-Executive Director

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M.Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 35 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia.

Mr Spilsbury currently holds directorships in Minco Silver Corporation, GGL Resources Corp and International Lithium Corp. (all TSX listed).

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

JOINT COMPANY SECRETARIES

Julie Anne Wolseley – B.Com, CA, MAICD

Ms Wolseley was appointed Company Secretary on 11 August 2003. Ms Wolseley is the principal of a corporate advisory company with over 20 years of experience acting as company secretary to a number of ASX listed public companies operating primarily in the resources sector. Previously Ms Wolseley was an audit manager both in Australia and overseas for an international accounting firm. Ms Wolseley also holds a directorship on the board of OM Holdings Limited.

Susan Patricia Hunter – BCom; ACA; F Fin (GDipAFin(SecInst)); MAICD(Dip); ACIS(Dip)

Ms Hunter is the principal of a corporate advisory company with over has over 18 years' experience in the corporate finance industry. She has held senior management positions in Ernst & Young, PricewaterhouseCoopers, BankWest and a boutique corporate advisory firm.

Ms Hunter holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors. She is also a Member of the Governance Institute of Australia and she is currently Company Secretary for several ASX listed companies.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year consisted of mineral exploration and development principally in Western Australia.

There have been no significant changes in these activities during the financial year.

RESULTS OF OPERATIONS

The consolidated net loss after income tax for the financial year was \$3,772,078 (2013: consolidated net loss after income tax \$1,864,896).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

REVIEW OF OPERATIONS AND ACTIVITIES

The consolidated entity recorded an operating loss after income tax for the year ended 30 June 2014 of \$3,772,078 compared to a consolidated operating loss after income tax of \$1,864,896 for the year ended 30 June 2013.

During the year the consolidated entity incurred a total of \$2,055,494 on exploration with a significant proportion of the exploration and evaluation expenditure expended at the consolidated entity's Golden Ridge, Acra and Fairwater Projects in Western Australia.

On 6 March 2014, the Company received a further \$1.2 million of the deferred consideration owed pursuant to the Western Mt Jewell Project Tenement Sale Agreement dated 15 May 2012. The final instalment due to be received by the Company under the agreement of \$1.1 million is due on 6 March 2015.

During the financial year the consolidated entity received \$110,507 from the Australian Taxation Office with respect to a refundable R & D tax incentive. Prior year refundable R & D tax incentives from the Australian Taxation Office totaling \$520,348 were owing at balance date and have been subsequently received as at the date of this report.

Exploration write-downs totalled \$3,481,126 which related primarily to the Golden Ridge, Juglah Dome and Gindalbie Projects. This compared to exploration write-offs of \$1,099,582 recorded in the prior year ended 30 June 2013.

On 16 December 2013 the Company issued 31,249,515 ordinary shares at an issue price of 1.4 cents per share under a Share Purchase Plan which raised \$437,500 (before issue costs).

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Corporate and Financial Position

As at 30 June 2014 the consolidated entity had cash reserves of \$1,373,078 (2013: \$2,490,617). The movement in cash is detailed in the Statement of Cash Flows on page 14 of this report. Subsequent to the end of the financial year \$520,348 has been received from the Australian Taxation Office with respect to a refundable R & D tax incentives and \$1,009,800 (before issued costs) has been raised from capital raising initiatives outlined below in Events Subsequent to Balance Date.

The consolidated entity will continue its exploration programs including further drilling programs planned at the Company's 100% owned Fairwater, Golden Ridge, Juglah Dome and Acra Projects.

Business Strategies and Prospects

The consolidated entity currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to increase the value of the consolidated entity's mineral assets located in Western Australia through exploration success;
- (ii) Specifically advance the consolidated entity's Fairwater, Golden Ridge, Juglah Dome and Acra Projects; and
- (iii) Continue to examine new mineral opportunities, with particular focus on advanced projects with the potential to deliver early cash flow opportunities.

Risk Management

The Board is responsible for the oversight of the consolidated entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the consolidated entity are highlighted in the Business Plan and the Corporate Risk Register presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the consolidated entity.

EMPLOYEES

The consolidated entity employed 2 full-time employees as at 30 June 2014 (2013: 2 employees).

SHAREHOLDER RETURNS

	2014	2013
	Cents	Cents
Basic earnings/(loss) per share	(0.7)	(0.4)
Diluted earnings/(loss) per share	(0.7)	(0.4)
Share price – 30 June 2014 (30 June 2013)	1.0	1.3

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review except for:

Shares issued

On 16 December 2013 the Company issued a total of 31,249,915 ordinary shares at an issue price of 1.4 cents each following an offer from the Company's Share Purchase Plan.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

OPTIONS OVER UNISSUED CAPITAL

The Company made no option issues during the year.

Since the end of the financial year the Company has not granted any unlisted options over unissued shares.

During the year a total of 10,350,000 unlisted options expired. No options have expired subsequent to the end of the financial year and up until the date of this report.

As at the date of this report unissued ordinary shares of the Company under option and fully vested are:

	<i>Number of Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
	4,333,331	3.5 cents each	30 November 2014
	4,333,331	4.5 cents each	30 November 2014
	4,333,338	5 cents each	30 November 2014
	15,000,000	10 cents each	15 October 2015
	30,000,000	30 cents each	15 October 2017
TOTAL	58,000,000		

The above options represent unissued ordinary shares of the Company under option as at the end of the financial year and as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

The names of all persons who currently hold options granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001*, and the register may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

CORPORATE STRUCTURE

Pioneer Resources Limited (ACN 103 423 981) is a company limited by shares that was incorporated on 17 January 2003 and is domiciled in Australia. The Company has prepared a consolidated financial report including the entities it controlled during the financial year, Western Copper Pty Ltd and Golden Ridge North Kambalda Pty Ltd. Western Copper Pty Ltd (ACN 114 863 928) was incorporated on 21 June 2005 and Golden Ridge North Kambalda Pty Ltd (ACN 159 539 983) was incorporated on 18 July 2012.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years other than market announcements released to the Australian Securities Exchange since balance date which included the following:

Share Placements

- (i) On 11 September 2014 the Company announced it had completed a share placement of 58,237,500 ordinary shares at an issue price of 1.6 cents per share which raised \$931,800 (before issue costs). The shares were issued to professional and sophisticated investors in accordance with the *Corporations Act 2001* and included clients of Bell Potter Securities Limited.
- (ii) On 11 September 2014 the Company also announced that Directors of the Company had applied for a total of 4,875,000 ordinary shares at an issue price of 1.6 cents per share seeking to raise \$78,000 (before issue costs). The issue of these shares will be subject to shareholder approval which will be sought at the Company's Annual General Meeting to be held in November 2014.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the consolidated entity are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the consolidated entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no material breach of the consolidated entity's licence conditions and all exploration activities comply with relevant environmental regulations.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Title	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
Craig I McGown	Non-Executive Chairman Appointed on 13 June 2008	3,171,428	2,000,000
David J Crook	Managing Director Appointed on 11 August 2003	5,922,911	5,000,000
Allan Trench	Non-Executive Director Appointed on 8 September 2003	2,081,997	1,500,000
Thomas W Spilsbury	Non-Executive Director Appointed on 4 January 2010	1,821,427	1,500,000

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	<i>Held</i>	<i>Attended</i>
C I McGown	16	16
D J Crook	16	16
A Trench	16	15
T W Spilsbury	16	16

During the financial year there were thirteen general Directors' meetings for which formal notice of meeting was given.

REMUNERATION REPORT - AUDITED

Recommendation 8.1 of the ASX Corporate Governance Council's second edition of its Corporate Governance Principles and Recommendations (August 2007) states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Company. Other than Directors, there were no executive officers of the Company during the year.

Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The overall remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Managing Director and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the Managing Director has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the government, which is currently 9.25% per annum and do not receive any other retirement benefit. Some Directors, however, have chosen to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Company and expensed. Options are valued using the Black-Scholes or Binomial valuation methodology. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

The relative proportions of those elements of remuneration of the Directors' remuneration are all fixed remuneration with the exception of the Managing Director's bonus that is linked to the Company's performance. Fees for Non-Executive Directors are not linked to the performance of the Company.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The annual aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 19 November 2009 and is not to exceed \$400,000 per annum. Actual remuneration paid to the Company's Non-Executive Directors is disclosed below. Remuneration fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and have in limited circumstances received options.

Managing Director and Senior Management

The remuneration of the Managing Director is dictated by his executive service agreement.

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Company; and
- Ensure that total remuneration is competitive by market standards.

Remuneration policy and relationship between the remuneration policy and Company Performance

The Company's remuneration policy for the Managing Director is designed to promote superior performance and long term commitment to the Company. The main principles of the policy when considering remuneration are as follows:

- Directors are motivated to pursue long term growth and success of the Company within an appropriate control framework;
- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

Remuneration consists of the following key elements:

- Fixed remuneration;
- Fixed remuneration levels dictated by benchmark criteria;
- Performance-based bonusable achievements; and
- Issuance of unlisted options

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits eg. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff who report directly to the Managing Director are based on the recommendation of the Managing Director, subject to the approval of the Board in the annual budget setting process.

Remuneration Benchmarks – Managing Director only

The remuneration of the Managing Director includes bonusable achievements linked to benchmarks associated with the Company's operational targets. These targets consist of a number of key performance indicators including acquisition or discovery of a significant economic mineral resource, enhancing corporate credibility and creation of value for shareholders.

At the end of the calendar year the Board assesses the actual performance of the consolidated entity and individual against the key performance indicators previously set. Any cash incentives and/or options granted require Board approval. Options proposed to be granted to the Managing Director also require shareholder approval.

Potential discretionary bonus

A potential discretionary bonus may be paid to the Managing Director. Any potential bonus paid is at the discretion of the Board (excluding the Managing Director) and will typically be made in recognition of contribution to the Company's performance and other significant efforts of the Managing Director in applicable and appropriate circumstances. Discretionary bonuses were paid during or with regard to the financial years ended 30 June 2014 and 30 June 2013.

DIRECTORS' REPORT

REMUNERATION REPORT -AUDITED (CONTINUED)

Service Agreement

The Managing Director, Mr David Crook is employed under contract. The current Service Agreement was executed on 21 February 2012.

Under the terms of the present contract:

- The Service Agreement has no fixed term.
- Mr Crook may resign from his position and thus terminate the contract by giving two months written notice. On resignation any options that have not yet vested will lapse.
- The Company may terminate the contract by providing two months written notice or provide payment in lieu of notice by the Company. Any options that have vested, or will vest during the notice period will be released, whilst the options that have not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause, any unvested options will immediately lapse.
- If the Managing Director and the Company agree to terminate the contract by mutual consent, or if the Managing Director is removed, or if the Company enters into a deed of arrangement with creditors, placed under the control of receivers or is in breach of regulations, the Company will pay a sum to the Managing Director calculated in accordance with section 200G9(3) of the *Corporations Act 2001*.

Details of the nature and amount of each element of the emoluments of each Director of Pioneer Resources Limited paid/accrued during the year were as follows:

2014

Director	Primary			Post Employment	Equity Compensation (Non-cash)	Other	Total
	Base Emolument/Fees	Motor Vehicle	Cash Bonus(iii)	Superannuation/ Salary Sacrifice Contributions	Options	Insurance	
	\$	\$	\$	\$	\$	\$	\$
C I McGown (Non – Executive Chairman) (i)	75,000	-	-	-	-	4,842	79,842
D J Crook (Managing Director)	266,620	15,000	22,883	26,779	-	12,747	344,029
A Trench (Non-Executive Director)	50,343	-	-	4,657	-	4,842	59,842
T W Spilsbury (Non-Executive Director) (ii)	55,000	-	-	-	-	4,842	59,842
Total	446,963	15,000	22,883	31,436	-	27,273	543,555

(i) Mr McGown's fees were paid to Resource Investment Capital Advisors Pty Ltd.

(ii) Mr Spilsbury's fees were paid to GeoDuck Pty Ltd.

(iii) Mr Crook's cash bonus was given based upon the Board's assessment of his performance taking into consideration the attainment of his key performance indicators.

2013

Director	Primary			Post Employment	Equity Compensation (Non-cash)	Other	Total
	Base Emolument/Fees	Motor Vehicle	Cash Bonus (iii)	Superannuation/ Salary Sacrifice Contributions	Options	Insurance	
	\$	\$	\$	\$	\$	\$	\$
C I McGown (Non – Executive Chairman) (i)	75,000	-	-	-	-	3,825	78,825
D J Crook (Managing Director)	264,020	15,000	68,807	32,788	-	10,932	391,547
A Trench (Non-Executive Director)	50,459	-	-	4,541	-	3,825	58,825
T W Spilsbury (Non-Executive Director) (ii)	55,000	-	-	-	-	3,825	58,825
Total	449,479	15,000	68,807	37,429	-	22,407	588,022

(i), (ii) and (iii) refer above.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Option remuneration as a percentage of total remuneration for the year ended 30 June 2014 for CI McGown was 0% (30 June 2013: 0%), for DJ Crook was 0% (30 June 2013: 0%), A Trench 0% (30 June 2013: 0%) and TW Spilsbury 0% (30 June 2013: 0%).

Other than the Directors disclosed above there were no other executive officers who received emoluments during the financial year ended 30 June 2014.

ANALYSIS OF OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Details of vesting profiles of the options granted as remuneration to each of the Directors affecting remuneration in the current or future reporting periods are as follows:

Director	Number of Options	Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price per Option (Cents)	Value per Option at Grant Date (Cents)	% Vested in Year
CI McGown	666,666	23 Dec 2011	30 June 2012	30 Nov 2014	3.5	1.02	-
	666,666	23 Dec 2011	30 Nov 2012	30 Nov 2014	4.5	0.90	-
	666,668	23 Dec 2011	30 Nov 2013	30 Nov 2014	5	0.85	21.58
DJ Crook	1,666,666	23 Dec 2011	30 June 2012	30 Nov 2014	3.5	1.02	-
	1,666,666	23 Dec 2011	30 Nov 2012	30 Nov 2014	4.5	0.90	-
	1,666,668	23 Dec 2011	30 Nov 2013	30 Nov 2014	5	0.85	21.58
A Trench	500,000	23 Dec 2011	30 June 2012	30 Nov 2014	3.5	1.02	-
	500,000	23 Dec 2011	30 Nov 2012	30 Nov 2014	4.5	0.90	-
	500,000	23 Dec 2011	30 Nov 2013	30 Nov 2014	5	0.85	21.58
TW Spilsbury	500,000	23 Dec 2011	30 June 2012	30 Nov 2014	3.5	1.02	-
	500,000	23 Dec 2011	30 Nov 2012	30 Nov 2014	4.5	0.90	-
	500,000	23 Dec 2011	30 Nov 2013	30 Nov 2014	5	0.85	21.58

During the year a total of 7,800,000 unlisted options held by Directors expired. The value of these options totalled \$241,973 and was transferred from the share option reserve to accumulated losses.

INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. Disclosure of the nature of the liability cover is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Company's auditors Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

At the Annual General Meeting held on 13 November 2013 shareholders approved the appointment of Deloitte Touche Tohmatsu as the auditor of the Company.

Fees for non-audit services comprising tax services were paid/payable to Deloitte Tax Services Pty Ltd during the year ended 30 June 2014 totalling \$146,419 (30 June 2013 \$Nil).

Fees for non-audit services comprising tax services were paid to the Company's prior year auditor Butler Settineri Chartered Accountants during the year ended 30 June 2014 totalling \$3,000 (30 June 2013 \$1,250).

DIRECTORS' REPORT

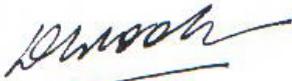
PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the Annual Report. This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

DATED at Perth this 30th September 2014
Signed in accordance with a resolution of the Directors.



D J Crook
Managing Director

The Board of Directors
Pioneer Resources Limited
21 Ord Street
West Perth WA 6005

30 September 2014

Dear Board Members

Pioneer Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Resources Limited.

As lead audit partner for the audit of the financial statements of Pioneer Resources Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff
Partner
Chartered Accountants

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

		CONSOLIDATED	
	NOTE	2014	2013
		\$	\$
Continuing Operations			
Other income	2	704,182	212,919
Total revenue	2	704,182	212,919
Employee expenses		(710,063)	(750,166)
Exploration expenditure written off	3	(3,481,126)	(1,099,582)
Non-Executive Directors' fees		(185,002)	(185,000)
Insurance expenses		(50,413)	(41,843)
Rental expense on operating leases	3	(107,691)	(101,106)
Corporate expenses		(135,993)	(98,519)
Depreciation	3	(28,365)	(31,911)
Expense of share-based payments	3	(9,123)	(51,881)
Legal expenses		(22,127)	(82,175)
Public relations		(40,532)	(67,975)
Other fees – paid/payable to the auditor		(146,419)	(1,250)
Costs recharged to capitalised exploration		126,955	101,901
Employee costs recharged to capitalised exploration		428,463	459,064
Non-cash finance income		70,000	115,000
Other expenses	3	(184,824)	(242,372)
Loss before income tax		(3,772,078)	(1,864,896)
Income tax	5	-	-
Net loss from continuing operations	16	(3,772,078)	(1,864,896)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Company		(3,772,078)	(1,864,896)
Earnings/(loss) per share (cents per share)			
Basic earnings/(loss) per share (cents per share)	22	(0.7)	(0.4)
Diluted earnings/(loss) per share (cents per share)	22	(0.7)	(0.4)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		CONSOLIDATED	
	NOTE	2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	23(a)	1,373,078	2,490,617
Other receivables	6	1,645,657	1,272,717
Other financial assets	7	15,517	36,580
TOTAL CURRENT ASSETS		3,034,252	3,799,914
NON-CURRENT ASSETS			
Other receivables	6	-	1,030,000
Investments	8	-	-
Plant and equipment and motor vehicles	9	49,392	70,918
Capitalised mineral exploration	10	6,090,636	7,516,267
TOTAL NON-CURRENT ASSETS		6,140,028	8,617,185
TOTAL ASSETS		9,174,280	12,417,099
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	342,573	268,352
Provisions	12	119,046	106,256
TOTAL CURRENT LIABILITIES		461,619	374,608
TOTAL LIABILITIES		461,619	374,608
NET ASSETS		8,712,661	12,042,491
EQUITY			
Contributed equity	13(a)	25,736,247	25,303,122
Share option reserve	14(a)	450,033	800,401
Accumulated losses	15	(17,473,619)	(14,061,032)
TOTAL EQUITY	16	8,712,661	12,042,491

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Notes	Contributed Equity	Share Option Reserve	Accumulated Losses	Total
BALANCE AT 1 JULY 2012		24,900,622	446,870	(12,224,486)	13,123,006
TOTAL COMPREHENSIVE INCOME	15	-	-	(1,864,896)	(1,864,896)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year (net of transaction costs)	13(b)	402,500	-	-	402,500
Directors and employees options	14	-	51,881	-	51,881
Other options issued during the year re: tenement acquisition	14	-	330,000	-	330,000
Transfer from share option reserve re: expired options	14	-	(28,350)	28,350	-
BALANCE AT 30 JUNE 2013		25,303,122	800,401	(14,061,032)	12,042,491
TOTAL COMPREHENSIVE INCOME	15	-	-	(3,772,078)	(3,772,078)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year (net of transaction costs)	13(b)	433,125	-	-	433,125
Directors and employees options	14	-	9,123	-	9,123
Transfer from share option reserve re: expired options	14	-	(359,491)	359,491	-
BALANCE AT 30 JUNE 2014		25,736,247	450,033	(17,473,619)	8,712,661

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	CONSOLIDATED	
<u>NOTE</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Cash flows from operating activities		
Interest received	65,410	196,747
Other income	110,507	27,190
GST paid to ATO on sale of Western Mt Jewel Gold Project	-	(800,000)
Payments to suppliers and employees (inclusive of goods and services tax)	(825,730)	(1,090,449)
Net cash used in operating activities	(649,813)	(1,666,512)
	23(b)	
Cash flows from investing activities		
Proceeds from the sale of the Western Mt Jewell Gold Project	1,200,000	1,200,000
Payments for exploration and evaluation	(2,126,421)	(4,328,202)
Proceeds from tenement bonds refunded	257,000	-
Payments for tenement bonds	(225,000)	-
Proceeds on the sale of plant and equipment	409	-
Payments for plant and equipment and motor vehicles	(6,839)	(13,039)
Net cash used in investing activities	(900,851)	(3,141,241)
Cash flows from financing activities		
Proceeds from the issue of shares	437,500	-
Payments for transaction costs relating to the issue of shares	(4,375)	-
Net cash provided by financing activities	433,125	-
Net decrease in cash held	(1,117,539)	(4,807,753)
Cash at the beginning of the financial year	2,490,617	7,298,370
Cash at the end of the financial year	1,373,078	2,490,617
	23(a)	

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Pioneer Resources Limited and its controlled entities ("consolidated entity"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated. Separate financial statements for Pioneer Resources Limited as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*, however, required financial information for Pioneer Resources Limited is included in Note 25.

Pioneer Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The Company is a for profit entity. The financial statements are presented in Australian dollars which is the Company's functional currency.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors on 30th September 2014.

(b) Statement of Compliance

The Financial Report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

(c) Basis of Consolidation

Controlled Entity

The consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its subsidiaries as at 30 June each year.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.

The acquisition of the subsidiaries have been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiary for the period from their acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the consolidated entity's share of the profit or loss and other comprehensive income of the associate or joint venture. When the consolidated entity's share of losses of an associate or a joint venture exceeds the consolidated entity's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the consolidated entity's net investment in the associate or joint venture), the consolidated entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the consolidated entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

In the consolidated entity's financial statements, investments in joint ventures are carried at cost. Details of these interests are shown in Note 18.

(d) Significant Accounting Judgements, Estimates and Assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 – Financial assets and investments
Available for sale financial assets, comprising marketable securities are assets which management may dispose of within the next 12 months.
- Note 10 – Capitalised Mineral Expenditure
The accounting policy for exploration and evaluation expenditure is set out in Note 1 (k). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Significant Accounting Judgements, Estimates and Assumptions (Continued)

Share-based payment transactions:

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes or Binomial valuation model, using the assumptions detailed in Note 13(d).

Use of estimates

The Directors have considered a number of factors in regard to any forward looking estimates. During the reporting period, the consolidated entity incurred a net loss after tax of \$3,772,078 (2013: \$1,864,896) and incurred net cash outflows from operating and investing activities of \$1,550,664 (2013: \$4,807,753). As at 30 June 2014 the consolidated entity had net assets of \$8,712,661 (2013: \$12,042,491) and net current assets of \$2,572,633 (2013: net current assets - \$3,425,306).

The use of estimates is inherently uncertain and requires a significant level of judgement. Forward looking estimates have been used in the preparation of the financial report in respect of the impairment of exploration assets and the preparation of the financial report on a going concern basis.

Reduced levels of future exploration expenditure compared to minimum spend commitments have been reflected in the impairment charge of \$3,481,126 recognised in the period in relation to exploration assets.

Management and the Directors have concluded that appropriate assessments have been made with respect to the use of forecasts in the preparation of the financial report.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

(e) Income Tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

For the purposes of income taxation, Pioneer Resources Limited and its 100% wholly-owned controlled entities have not formed a tax consolidated group. There is no material effect on the future income taxation benefits as a result.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Tenement bonds in the form of cash deposits are held as security with the Mines Department authorities.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprises cash at bank and on hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(h) Trade and Other Receivables

Receivables which generally have 30-90 day terms, are recognised and carried at original invoice amount less if required an allowance for any uncollectible amounts.

Non-current loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(i) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The consolidated entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(i) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as either financial assets at fair value through profit or loss, loans and receivables or held to maturity investments. After initial recognition available for sale investments are measured at fair value with gains or losses being recognised directly in equity, until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to maturity when the consolidated entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables (including receivables owed by Kalnorth Gold Mines Limited)

Trade receivables, loans, and other receivables are recorded at amortised cost, using the effective interest method less impairment. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

With respect to the receivable amounts owing from KalNorth Gold Mines Limited under the Western Mt Jewell Project Tenement Sale Agreement an assessment has been made to determine whether there is objective evidence that the amounts receivable (both current and non-current) are impaired at the reporting date.

Such a financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that such financial assets are impaired includes default or delinquency by the debtor, restructuring of an amount due to the consolidated entity on terms that the consolidated entity would not consider otherwise, indications that the debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the consolidated entity, economic conditions that correlate with defaults or the disappearance of an active market for a security.

At the reporting date there has been no objective evidence of impairment compared to the initial recognition of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Plant and Equipment – recognition and measurement

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets, are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant and equipment 20 - 33%
- Motor vehicles 22.5%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (refer impairment accounting policy Note 1 (l) below).

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of Assets

At each reporting date the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(m) Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for long service leave are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Trade and other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(r) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

(s) Share-based payment transactions

The consolidated entity provides benefits to employees (including Directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes or Binomial option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pioneer Resources Ltd ("market conditions").

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the consolidated entity acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) **Adoption of New and Revised Standards – Changes in Accounting Policies on initial application of Accounting Standards**

In the year ended 30 June 2014, the Board has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Board that there is no material impact of the new and revised Standards and Interpretations on its business and therefore, no change is necessary to the consolidated entity's accounting policies.

New, revised or amending Accounting Standards and Interpretations adopted

In the current year, the consolidated entity has applied all of the below new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period beginning 1 July 2013.

- AASB CF 2013-1 'Amendments to the Australian Conceptual Framework' and AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part A Conceptual Framework)
- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'
- INT 21 'Levies'

These standards have been applied and have introduced new disclosure requirements, however they did not affect the consolidated entity's accounting policies or any amounts recognised in the financial report.

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the year ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments'(December 2009) and relevant amending standards.	1 January 2018	31 December 2018
AASB 2014-1 'Amendments to Australian Accounting Standards'	1 July 2014	30 June 2015
- Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles'		
- Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'		
- Part C: 'Materiality'		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Adoption of New and Revised Standards – Changes in Accounting Policies on initial application of Accounting Standards (Continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-1 'Amendments to Australian Accounting Standards' – Part D: 'Consequential Amendments arising from AASB 14'	1 January 2016	30 June 2016
AASB 2014-1 'Amendments to Australian Accounting Standards' – Part E: 'Financial Instruments'	1 January 2015	30 June 2015
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2016
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2017
IFRS 9 Financial Instruments	1 January 2018	30 June 2018
Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016	30 June 2016

The impact of these recently issued or amended standards and interpretations have not been determined as yet by the consolidated entity.

(u) Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain the capital structure to reduce the cost of capital. The net assets of the consolidated entity are equivalent to capital. Net capital is obtained through capital raising initiatives on the Australian Securities Exchange or the sale of assets.

The Board of Directors reviews the requirement for capital on a regular basis. However, at present no formal targets are in place for a return on capital, or for gearing ratios, as the consolidated entity has not derived any income from its mineral exploration and currently has no debt facilities in place.

(v) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) **Comparative Figures**

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
2. OTHER INCOME		
Other Income		
Interest	69,927	185,729
Other income – R & D tax incentive	630,854	-
Sundry other income	2,992	27,190
Proceeds from the sale of plant and equipment	409	-
	<u>704,182</u>	<u>212,919</u>
3. (a) EXPENSES		
Exploration expenditure written off	3,481,126	1,099,582
Contributions to employees superannuation plans	61,923	63,644
Depreciation - Plant and equipment	17,620	21,168
- Motor vehicles	10,745	10,743
	<u>28,365</u>	31,911
Rental expense on operating leases	107,691	101,106
Share based payments expense	9,123	51,881
Provision for employee entitlements	12,790	17,928
	<u>12,790</u>	<u>17,928</u>
(b) OTHER EXPENSES		
Computer software/support	15,842	19,062
Conferences and seminar costs	29,180	42,452
Other direct operating expenses	139,802	182,108
	<u>184,824</u>	<u>243,622</u>
4. AUDITORS' REMUNERATION		
Audit Services		
Audit and review of the consolidated entity's financial statements – Deloitte Touche Tohmatsu ⁽ⁱ⁾	23,315	-
Audit and review of the consolidated entity's financial statements – Butler Settineri (Audit) Pty Ltd	2,110	29,199
Other Services		
Other services - Deloitte Tax Services Pty Ltd – tax services	146,419	-
Other services - Butler Settineri (Audit) Pty Ltd	3,000	1,250
	<u>174,844</u>	<u>30,449</u>

⁽ⁱ⁾ At the Annual General Meeting held on 13 November 2013 shareholders approved the appointment of Deloitte Touche Tohmatsu as the auditor of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

5. INCOME TAX

No income tax is payable by the consolidated entity as it has incurred losses for income tax purposes for the year, so current tax, deferred tax and tax expense is \$Nil (2013 - \$Nil).

(a) Tax expense

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
Current tax expense – current period	-	-
Deferred tax expense	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) from continuing operations	<u>(3,772,078)</u>	(1,864,896)
Tax at the Australian tax rate of 30% (2013:30%)	(1,131,623)	(559,469)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments expense	2,737	15,564
Other non-deductible expenditure	7,066	26,026
Deductible capital raising costs	(26,363)	(28,171)
Non-assessable income	(33,152)	(28,171)
Deferred tax asset not brought to account	1,181,335	546,050
Income tax expense	<u>-</u>	<u>-</u>

(c) Tax losses

Total tax losses for which no deferred tax asset has been recognised	<u>29,811,245</u>	24,758,586
Potential tax benefit at 30%	<u>8,943,374</u>	7,427,576

The consolidated entity has not entered into a tax consolidated group, and there has been no impact on the tax position as a consequence.

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$

(d) Unrecognised Deferred Tax Assets and Liabilities

Unrecognised deferred tax assets comprise:

Capital raising costs	18,941	43,991
Leave provisions	35,714	31,877
Tax losses available for offset against future taxable income	<u>7,111,618</u>	5,115,777
	<u>7,166,273</u>	5,191,645

Deferred tax liabilities comprise:

Capitalised mineral exploration and evaluation expenditure	1,827,191	2,301,320
Prepayments	4,565	10,479
Tax losses carried forward	<u>1,831,756</u>	2,311,799
	<u>-</u>	<u>-</u>

(e) Franking credits balance

The consolidated entity has no franking credits available as at 30 June 2014 (2013: \$Nil).

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
6. OTHER RECEIVABLES		
Current		
Amount due from KalNorth Gold Mines Limited (i)	1,100,000	1,200,000
ATO – R & D tax incentive	520,348	-
GST recoverable	12,566	14,491
Tenement and rental bonds	4,500	54,500
Accrued interest	8,243	3,726
	<u>1,645,657</u>	<u>1,272,717</u>

Non-Current

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
Amount due from KalNorth Gold Mines Limited (i)	-	1,030,000
	<u>-</u>	<u>1,030,000</u>

(i) Pursuant to the Western Mt Jewell Project Tenement Sale Agreement dated 15 May 2012, between the Company and KalNorth Gold Mines Limited, the Company sold its 100% legal and beneficial interest in the exploration licences, prospecting licences and a mining lease application which comprised the Western Mt Jewell Gold Project, together with all drilling results and other information regarding the Western Mt Jewell Gold Project for total consideration of \$8 million staged over four instalments, as follows:

- a. the first instalment, comprised \$4.5 million which was received on completion of the transaction on 5 June 2012;
- b. the second instalment of \$1.2 million which was received on 5 March 2013;
- c. the third instalment of \$1.2 million which was received on 6 March 2014; and
- d. a final instalment of \$1.1 million is due on 6 March 2015.

7. OTHER FINANCIAL ASSETS

Current

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
Prepayments	15,217	34,930
Available-for-sale investments carried at fair value:		
Investment in listed company – Bass Metals Limited (i)	300	1,650
	<u>300</u>	<u>1,650</u>
	<u>15,517</u>	<u>36,580</u>

- (i) As at 30 June 2014 (and 30 June 2013) the Company held 150,000 ordinary shares in Bass Metals Limited. The fair value is determined at balance date by reference to the quoted closing share price on the ASX.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

8. INVESTMENTS

Non-Current

Pioneer Resources Limited holds investments in Western Copper Pty Ltd and the investment is held at cost of \$5 (30 June 2012: \$5), Golden Ridge North Kambalda Pty Ltd was incorporated during the year ended 30 June 2013 and is held at a cost of \$5.

Particulars in relation to the controlled entity

Pioneer Resources Limited is the parent entity.

Name of Controlled entity	Class of Shares	Equity Holding	
		2014	2013
Western Copper Pty Ltd ⁽¹⁾	Ordinary	100%	100%
Golden Ridge North Kambalda Pty Ltd ⁽²⁾	Ordinary	100%	100%

⁽¹⁾ Western Copper Pty Ltd was incorporated in Australia on 21 June 2005.

⁽²⁾ Golden Ridge North Kambalda Pty Ltd (ACN 159 539 983) was incorporated in Australia on 18 July 2012 and is a wholly-owned controlled entity of the Company.

CONSOLIDATED
2014 **2013**
\$ \$

9. PLANT AND EQUIPMENT AND MOTOR VEHICLES

Plant and office equipment

At cost	320,520	325,459
Accumulated depreciation	<u>(292,916)</u>	<u>(287,074)</u>
	<u>27,604</u>	38,385

Motor vehicles

At cost	178,476	178,476
Accumulated depreciation	<u>(156,688)</u>	<u>(145,943)</u>
	<u>21,788</u>	32,533
	<u>49,392</u>	70,918

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

Plant and office equipment

Carrying amount at beginning of the year	38,835	46,515
Additions	6,838	13,038
Disposals ⁽¹⁾	(449)	-
Depreciation	<u>(17,620)</u>	<u>(21,168)</u>
Carrying amount at the end of the year	<u>27,604</u>	38,385

Motor vehicles

Carrying amount at beginning of the year	32,533	43,276
Additions	-	-
Disposals	-	-
Depreciation	<u>(10,745)</u>	<u>(10,743)</u>
Carrying amount at the end of the year	<u>21,788</u>	32,533

(1) A fully written down photocopier was disposed of for proceeds of \$409 during the year ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
10. CAPITALISED MINERAL EXPLORATION		
Non-Current		
<i>In the exploration and evaluation phase</i>		
Cost brought forward	7,516,267	3,724,643
Add: Expenditure incurred during the year (at cost)	2,055,495	3,425,136
Add: Acquisition costs of Fairwater and Golden Ridge Projects during the year	-	1,466,070
Exploration expenditure written off	<u>(3,481,126)</u>	<u>(1,099,582)</u>
	<u>6,090,636</u>	<u>7,516,267</u>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Exploration write-downs totalled \$3,481,126 which related primarily to the Golden Ridge, Juglah Dome and Gindalbie Projects as significant expenditure programs are currently not planned due to exploration being either discontinued or curtailed.

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
11. TRADE AND OTHER PAYABLES		
Current (Unsecured)		
Trade creditors (i)	164,454	224,977
Other accruals – Deloitte Tax Services Pty Ltd	140,119	-
Other accruals – Auditor	14,000	13,000
Other creditors and accruals (i)	<u>24,000</u>	<u>30,375</u>
	<u>342,573</u>	<u>268,352</u>

(i) A total of \$106,283 (30 June 2013:\$144,583) related to exploration expenditure and \$Nil (30 June 2013: \$18,000) related to an environmental bond owed to Heron Resources Limited.

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
12. PROVISIONS		
Current		
Employee entitlements	<u>119,046</u>	<u>106,256</u>
Number of full time employees at year end	<u>2</u>	<u>2</u>

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

13. CONTRIBUTED EQUITY

The Company

2014 2013
\$ \$

(a) Ordinary Shares

553,224,800 (2013: 521,974,885) ordinary shares	25,736,247	25,303,122
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Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value. Ordinary shares have no par value and entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Share Movements During the Year

	2014		2013	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	521,974,885	25,303,122	510,474,885	24,900,622
<i>Share issues during the year</i>				
Share Issue (i)	31,249,915	437,500	-	-
Share Issue (ii)	-	-	11,500,000	402,500
Less: Share issue costs	-	(4,375)	-	-
	553,224,800	25,736,247	521,974,885	25,303,122

- (i) On 16 December 2013 the Company issued a total of 31,249,915 ordinary shares at an issue price of 1.4 cents each following an offer from the Company's Share Purchase Plan.
- (ii) On 16 October 2012 the Company issued a total of 11,500,000 ordinary shares to acquire a 75% interest in the Fairwater Nickel and Gold Project from National Minerals Pty Ltd with a deemed issue price of 3.5 cents per share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

13. CONTRIBUTED EQUITY

(c) Unlisted Options

During the financial year ended 30 June 2014 the Company did not grant any unlisted options over unissued shares.

During the prior financial year ended 30 June 2013 the Company granted the following unlisted options over unissued shares:

Issued To	Number of Options Granted	Exercise Price per Option	Value per Option at Grant date	Value of Options Granted	Expiry Date
National Minerals Pty Ltd	15,000,000	10 cents	1.104 cents	\$120,000	15 Oct 15
National Minerals Pty Ltd	30,000,000	30 cents	1.064 cents	\$210,000	15 Oct 17
Total	45,000,000			\$330,000	

Since the end of the financial year the Company has not granted any unlisted options over unissued shares.

During the year a total of 10,350,000 unlisted options expired.

As at the 30 June 2014 unissued ordinary shares of the Company under option (which are fully vested) are as follows:

	<i>Number of Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
	4,333,331	3.5 cents each	30 November 2014
	4,333,331	4.5 cents each	30 November 2014
	4,333,338	5 cents each	30 November 2014
	15,000,000	10 cents each	15 October 2015
	30,000,000	30 cents each	15 October 2017
TOTAL	58,000,000		

Pioneer Resources Limited Directors, Officers, Employees and Other Permitted Persons Option Plan ("the Plan")

Details of additional options that could be issued under the Plan are set out in Note 17.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

13. CONTRIBUTED EQUITY (Continued)

(d) Share Based Payments

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is disclosed in Note 3(a).

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2014 No.	2014 Weighted average exercise price	2013 No.	2013 Weighted average exercise price
Outstanding at the beginning of the year	68,350,000	17.4 cents	24,100,000	7 cents
Granted during the year	-	-	45,000,000	23.3 cents
Exercised during the year	-	-	-	-
Expired during the year	(10,350,000)	10.2 cents	(750,000)	22 cents
Outstanding at the end of the year	58,000,000	19.1 cents	68,350,000	17.4 cents
Exercisable at the end of the year	58,000,000	19.1 cents	68,350,000	17.4 cents

The outstanding balance as at 30 June 2014 is further detailed in Note 13(c).

The average remaining contractual life for the share options outstanding as at 30 June 2014 is between 0.4 years and 3.3 years (2013: 0.4 years and 4.3 years).

The range of exercise prices for options outstanding at the end of the year was 3.5 cents and 30 cents. (2013: 3.5 cents and 30 cents).

No options were granted during the year ended 30 June 2014. The fair value of options granted during the year ended 30 June 2013 was \$330,000.

The fair value of the equity-settled share options granted in the prior year ended 30 June 2013 for the purchase of the Fairwater Nickel and Gold Project was calculated by an independent expert and was estimated as at the date of grant using a Binominal option model taking into account the terms and conditions upon which the options were granted as follows:

Item	Class A	Class 2
Underlying Security spot price	\$0.029	\$0.029
Exercise Price	\$0.10	\$0.30
Grant Date	23 November 2012	23 November 2012
Expiration date	15 October 2015	15 October 2017
Life of Options (years)	2.88	4.89
Volatility	85%	85%
Risk Free Rate	2.742%	2.881%
Number of Options	15,000,000	30,000,000
Valuation per Option	\$0.008	\$0.007
Valuation per Class	\$120,000	\$210,000

(e) Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
14. RESERVES		
Share Option Reserve		
Opening balance	800,401	446,870
Options issued during the year re: Fairwater Project	-	330,000
Options vested during the year	9,123	51,881
Transfer from share option reserve re: expired options	(359,491)	(28,350)
Closing balance	<u>450,033</u>	<u>800,401</u>

The option premium reserve is used to recognise the grant date fair value of options issued but not exercised. The reserve reflects the value of options issued to Directors, employees, consultants and third parties with respect to exploration tenement acquisitions.

15. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	14,061,032	12,224,486
Net loss attributable to members	3,772,078	1,864,896
Transfer from share option reserve re: expired options	(359,491)	(28,350)
Accumulated losses at the end of the year	<u>17,473,619</u>	<u>14,061,032</u>

	<u>2014</u>	<u>2013</u>
	\$	\$
16. TOTAL EQUITY RECONCILIATION		
Total equity at the beginning of the year	12,042,491	13,123,006
Add: Contributions of equity	437,500	402,500
Less: Cost of contributions of equity	(4,375)	-
Add: Share option reserve	9,123	381,881
Add: Share of operating loss	(3,772,078)	(1,864,896)
Total equity at the end of the year	<u>8,712,661</u>	<u>12,042,491</u>

17. OPTION PLAN

The establishment of the Pioneer Resources Limited Directors, Officers, Employees and Other Permitted Persons Option Plan ("the Plan") was approved by ordinary resolution at the Annual General Meeting of shareholders of the Company held on 29 November 2011. All eligible Directors, executive officers, employees and consultants of Pioneer Resources Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Options issued under the Plan may have a vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

18. INTERESTS IN JOINT VENTURES/ PROJECTS SUBJECT TO THIRD PARTY FUNDING

Joint venture and other sale and purchase agreements have been entered into with third parties, whereby the third parties have earned an interest in exploration areas by expending specified amounts in the exploration areas or through acquisition. The third parties percentage interest in the future output of the joint ventures or through project acquisition and the requirement to fund, if all its obligations are fulfilled are as follows:

Project	Joint Venture Partner or Third Party Holder	Third Party Participating Equity at 30 June 2014
Acra	Xstrata Nickel Australasia Operations Pty Ltd	100% nickel sulphide, 0.5% NSR gold
	Heron Resources Limited	100% nickel laterite
Balagundi	Alphabrass Pty Ltd	Entitlement to earn 80% by expending \$2 million
Larkinville	Ramelius Resources Limited (subject to an assignment to Tychean Resources Ltd)	75% on gold minerals and 80% on nickel minerals
Wattle Dam	Tychean Resources Ltd	100% on gold minerals and 80% on nickel minerals
Maggie Hays Hill	Lake Johnston Pty Ltd	80%
Pioneer	Panoramic Resources Limited	80%
Ravensthorpe	Silver Lake Resources Limited	100% with the Company entitled to a 1.5% royalty on base/precious metals and a 3.5% royalty on iron ore and manganese.
Tasmania	Bass Metals Limited, Venture Minerals Limited	100% with the Company entitled to a 2% royalty on base/precious metals

There are no assets employed by these joint ventures and the consolidated entity's expenditure in respect of its participation is brought to account initially as capitalised exploration and evaluation expenditure.

There were no capital commitments or contingent liabilities arising out of the consolidated entity's joint venture activities as at 30 June 2014.

19. RELATED PARTY DISCLOSURES

(a) Remuneration of Specified Directors and Specified Executives by the Consolidated Entity

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the consolidated entity.

Further information on remuneration of Specified Directors is outlined in the Remuneration Report.

The following table provides the details of all Directors of the Company ("Specified Directors") and the nature and amount of the elements of their remuneration for the year ended 30 June 2013. There are no "Specified Executives" that are involved in the strategic direction of the consolidated entity, as this role is undertaken by the Managing Director and the Non-Executive Directors.

2014

Director	Primary			Post Employment	Equity Compensation	Other	Total
	Base Remuneration /Fees \$	Motor Vehicle \$	Cash Bonus (iv) \$	Superannuation/ Salary Sacrifice Contributions \$	Options \$	Insurance \$	
C I McGown (i)	75,000	-	-	-	-	4,842	79,842
D J Crook (ii)	266,620	15,000	22,883	26,779	-	12,747	344,029
A Trench	50,343	-	-	4,657	-	4,842	59,842
T W Spilsbury (iii)	55,000	-	-	-	-	4,842	59,842
	446,963	15,000	22,883	31,436	-	27,273	543,555

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

19. RELATED PARTY DISCLOSURES (Continued)

(a) Remuneration of Specified Directors and Specified Executives by the Consolidated Entity

2013

Director	Primary			Post Employment	Equity Compensation	Other	Total
	Base Remuneration /Fees \$	Motor Vehicle \$	Cash Bonus (iv) \$	Superannuation/ Salary Sacrifice Contributions \$	Options \$	Insurance \$	
C I McGown (i)	75,000	-	-	-	-	3,825	78,825
D J Crook (ii)	264,020	15,000	68,807	32,788	-	10,932	391,547
A Trench	50,459	-	-	4,541	-	3,825	58,825
T W Spilsbury (iii)	55,000	-	-	-	-	3,825	58,825
	444,479	15,000	68,807	37,329	-	22,407	588,022

- (i) Mr McGown's fees were paid to an entity Resource Investment Capital Advisors Pty Ltd.
- (ii) Mr Crook was employed under a Service Agreement which commenced on 1 January 2004 and which was superceded by a Service Agreement dated 21 February 2012.
- (iii) Mr Spilsbury's fees were paid to an entity GeoDuck Pty Ltd.
- (iv) Mr Crook's cash bonus was based upon the Board's assessment of his performance taking into consideration the attainment of his key performance indicators.

There were no loans made to any Directors at 30 June 2014 (30 June 2013: \$Nil).

Other Director Related Party Transactions

During the year ended 30 June 2014 payments totalling \$21,468 (30 June 2013: \$18,668) were paid as employee expenses and superannuation for exploration field assistance work undertaken by three sons of the Managing Director, Mr Crook. These payments were on terms and conditions no more favourable than those paid to persons for the same type of work services and who were not related to the Managing Director.

(b) Equity Instruments

All options refer to options over ordinary shares of Pioneer Resources Limited, which are exercisable on a one for one basis.

Options over equity instruments granted as remuneration

During the financial years ended 30 June 2014 and 30 June 2013 the Company did not grant any unlisted options over unissued shares to Specified Directors as part of their remuneration.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

19. RELATED PARTY DISCLOSURES (Continued)

(c) Specified Directors' Share and Option holdings

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Specified Directors of the Company or their personally-related entities are as follows:

Specified Directors	Ordinary Shares				Unlisted Options			
	1 July 2013	Purchases	Disposals/ Transfers	30 June 2014	1 July 2013	Granted Options	Expired Options	30 June 2014
Craig McGown	2,100,000	1,071,428	-	3,171,428	3,500,000	-	(1,500,000)	2,000,000
David J Crook	4,744,341	1,178,570	-	5,922,911	9,000,000	-	(4,000,000)	5,000,000
Allan Trench	1,903,426	178,571	-	2,081,997	2,500,000	-	(1,000,000)	1,500,000
Thomas Spilsbury	750,000	1,071,427	-	1,821,427	2,800,000	-	(1,300,000)	1,500,000

A number of Specified Directors (Messrs McGown and Spilsbury) hold positions in other personally-related entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these personally-related entities transacted with the Company during the reporting period with respect to the payment of Non-Executive Directors' fees. The terms and conditions of those transactions were no more favourable than those available, or might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. Refer Note 19(a) for further information.

(d) Non-Director Related Party Transactions

The only non-Director related parties to the Company were its wholly-owned controlled entities, Western Copper Pty Ltd and Golden Ridge North Kambalda Pty Ltd. Refer Note 8 for further details.

Pioneer Resources Limited (the parent entity) has made a loan to Western Copper Pty Ltd of \$3,343,539 (2013: \$3,312,104) in relation to funding its interest in Western Copper Pty Ltd's exploration projects and to Golden Ridge North Kambalda Pty Ltd of \$4,779,468 (2013: \$963,046).

There were no other related party transactions during the year.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

20. EXPENDITURE COMMITMENTS

(a) Exploration

The consolidated entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the consolidated entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the consolidated entity have not been provided for in the financial statements and those which cover the following twelve month period amount to \$1,667,240 (2013: \$1,713,040). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners, amounting to \$546,000 (2013: 529,000), as disclosed in Note 18.

	<u>2014</u>	<u>2013</u>
	\$	\$
(b) Operating Lease Commitments		
Total operating lease expenditure contracted for at balance date but not provided for in the consolidated financial statements, payable:		
Not later than one year	92,500	82,275
Later than one year and no later than five years	5,928	5,928
Later than five years	-	-
	<u>98,428</u>	<u>88,203</u>

The operating lease relates to the Company's registered office premises in Perth.

The Perth office operating lease is for a prescribed period expiring on 31 October 2014. The Company is currently negotiating to renew the term of the lease for a further twelve months after the expiry date. During the term of the operating lease the rent is reviewed annually on each successive anniversary date. The annual lease is currently \$56,740.

The Kalgoorlie house and yard operating lease which is for a prescribed period until 30 June 2014. During the term of the operating lease the rent is reviewed annually on each successive anniversary date. The Annual Lease will be \$35,760.

The Konica Minolta photocopier in the Perth office is leased with a fixed base rate of \$5,928 per year plus a usage-based fee for a 48 month period expiring on 9 August 2016.

(c) Capital Commitments

The consolidated entity had no capital commitments as at 30 June 2014 (30 June 2013: \$Nil).

21. SEGMENT INFORMATION

The consolidated entity operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the consolidated entity is domiciled and operates in one segment being Australia.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	<u>2014</u>	<u>2013</u>
	\$	\$
22. EARNINGS/(LOSS) PER SHARE		
The following reflects the earnings / (loss) and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	<u>(3,772,078)</u>	<u>(1,864,896)</u>
	Number of Shares <u>2014</u>	Number of Shares <u>2013</u>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share: <i>Effect of dilutive securities</i>	538,841,277	518,581,442
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<u>538,841,277</u>	<u>518,581,422</u>

***Non-dilutive securities**

As at balance date, 58,000,000 unlisted options (30 June 2013: 68,350,000 unlisted options) which represent potential ordinary shares were not dilutive as the weighted average exercise price of the options were higher than the weighted average share price for the year.

Conversions, calls, subscriptions or issues after 30 June 2014

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
23. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Cash and Cash Equivalents		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	616	615
Cash at bank	15,695	10,696
Deposits at call	<u>1,356,767</u>	<u>2,479,306</u>
	<u>1,373,078</u>	<u>2,490,617</u>
(b) Reconciliation of the profit/(loss) from ordinary activities after income tax to the net cash flows used in operating activities		
Loss from ordinary activities after income tax	(3,772,078)	(1,864,896)
<i>Non-cash items:</i>		
Depreciation	28,365	31,911
Finance income	(70,000)	(115,000)
Exploration written off	3,481,126	1,099,582
Investment written down	1,350	300
Expense of share-based payments	9,123	51,881
Profit on sale of plant and equipment	(409)	-
<i>Change in operating assets and liabilities:</i>		
Decrease in prepayments	19,713	2,061
Decrease/(increase) in receivables	(522,940)	12,243
Increase/(decrease) in trade creditors	163,147	(887,785)
Increase in employee entitlements	<u>12,790</u>	<u>3,191</u>
Net cash outflows used in operating activities	<u>(649,813)</u>	<u>(1,666,512)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

23. NOTES TO THE STATEMENT OF CASH FLOWS

(c) Stand-By Credit Facilities

As at 30 June 2014 the Company has a business credit card facility available totaling \$32,000 (2013:\$30,000) of which \$9,999 (2013: \$11,387) was utilised.

(d) Non Cash Financing and Investing Activities

During the financial year ended 30 June 2014 the Company had no non-cash financing or investing activities. In the prior financial year ended 30 June 2012 the only non cash financing and investing activities were the issue by the Company on 16 October 2012 of 11.5 million ordinary shares at a deemed issue price of 3.5 cents per share, 15 million unlisted options exercisable at 10 cents each by 15 October 2015 and 30 million unlisted options exercisable at 30 cents each by 15 October 2017 to National Minerals Pty Ltd as consideration for acquiring a 75% interest in the Fairwater Nickel and Gold Project.

24. FINANCIAL INSTRUMENTS

The consolidated entity's activities expose it to a variety of financial risks and market risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Financial Risk Management Policies

Exposure to key financial risks is managed in accordance with the consolidated entity's risk management policy with the objective to ensure that the financial risks inherent in exploration activities are identified and then managed or kept as low as reasonably practicable. The main financial risks that arise in the normal course of business are market risk (primarily interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Managing Director and the Company Secretary, under the authority of the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

Categories of Financial Instruments

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial assets		
Cash on hand	1,373,078	2,490,617
Cash at bank	1,645,657	2,302,717
Deposits at call	15,517	36,580
	<u>3,034,252</u>	<u>4,829,914</u>
Financial liabilities		
Payables	342,573	268,352
	<u>342,573</u>	<u>268,352</u>

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

24. FINANCIAL INSTRUMENTS

Specific Financial Risk Exposures and Management

(a) Market Risk - Interest Rate Risk Management

The consolidated entity's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the consolidated entity does not have any borrowings. The consolidated entity does not enter into hedges.

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets.

Liquidity and interest risk table

The following tables detail the consolidated entity's remaining contractual maturity for its non-derivative financial assets and liabilities and have been prepared on the following basis:

- Financial assets – based on the undiscounted contractual maturities including interest that will be earned on those assets except where the consolidated entity anticipates that the cash flow will occur in a different period; and
- Financial liabilities – based on undiscounted cash flows on the earliest date on which the consolidated entity can be required to pay, including both interest and principal cash flows.

2014

	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5 plus years \$	No fixed term \$	Total \$
Financial Assets							
Non-interest bearing	1,661,790	-	-	-	-	-	1,661,790
Variable interest rate	-	1,372,462	-	-	-	-	1,372,462
Fixed interest rate	-	-	-	-	-	-	-
	1,661,790	1,372,462	-	-	-	-	3,034,252
Financial Liabilities							
Non-interest bearing	342,573	-	-	-	-	-	342,573
Variable interest rate	-	-	-	-	-	-	-
Fixed interest rate	-	-	-	-	-	-	-
	342,573	-	-	-	-	-	342,573

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

24. FINANCIAL INSTRUMENTS (Continued)

Specific Financial Risk Exposures and Management

(a) Market Risk - Interest Rate Risk Management

2013

	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5 plus years \$	No fixed term \$	Total \$
Financial Assets							
Non-interest bearing	2,339,912	-	-	-	-	-	2,339,912
Variable interest rate	-	2,490,002	-	-	-	-	2,490,002
Fixed interest rate	-	-	-	-	-	-	-
	2,339,912	2,490,002	-	-	-	-	4,829,914
Financial Liabilities							
Non-interest bearing	268,352	-	-	-	-	-	268,352
Variable interest rate	-	-	-	-	-	-	-
Fixed interest rate	-	-	-	-	-	-	-
	268,352	-	-	-	-	-	268,352

(b) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity's exposure and the credit ratings of its counterparties are monitored. The consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with Commonwealth Bank of Australia and Westpac Banking Corporation.

The credit quality of the financial assets that are either past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. All cash balances are deposits with financial institutions with 'AA' S&P ratings. The tenement and rental bonds disclosed in Other Receivables (Note 6) are also deposits with financial institutions with 'AA' S&P ratings. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

24. FINANCIAL INSTRUMENTS

(b) Credit Risk Management (Continued)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount of the financial assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and in the notes to the financial statements.

The consolidated entity has a material credit exposure to a single debtor. During the year ended 30 June 2012 a project was sold for a consideration that included deferred payments. A further \$1,100,000 is to be received in March 2015. The deferred consideration is secured by way of a first mortgage over the tenements being sold.

(c) Commodity Price Risk and Liquidity Risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the consolidated entity's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the consolidated entity monitors its ongoing exploration cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The consolidated entity has no undrawn financing facilities. Trade and other payables, the only financial liability of the consolidated entity, are due within 3 months.

At the present state of the consolidated entity's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The consolidated entity's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(d) Foreign Exchange Risk

The consolidated entity is not exposed to foreign exchange risk.

(e) Fair Value of Financial Instruments

AASB 7 Financial Instruments: Disclosures which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than the shares held in listed entities as disclosed in Note 7, which are held at fair value based on quoted prices (level 1 in fair value hierarchy).

No financial instruments at level 2 or 3 in the valuation hierarchy were held at 30 June 2014 (30 June 2013: \$Nil).

(f) Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the consolidated entity consists of equity only, comprising issued capital and reserves, net of accumulated losses. The consolidated entity's policy is to use capital market issues to meet the funding requirements of the consolidated entity.

There were no changes in the consolidated entity's approach to capital management during the year.

The consolidated entity is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

25. PARENT COMPANY

(a) Financial Position

As at 30 June 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Assets		
Total current assets	3,034,252	3,799,908
Total non-current assets	6,140,034	8,771,997
Total Assets	<u>9,174,286</u>	<u>12,571,905</u>
Liabilities		
Total current liabilities	461,619	374,608
Total non-current liabilities	-	-
Total Liabilities	<u>461,619</u>	<u>374,608</u>
Net Assets	<u>8,712,667</u>	<u>12,197,297</u>
Equity		
Issued capital	25,736,247	25,303,122
Reserves	450,033	955,202
Accumulated losses	(17,473,613)	(14,061,027)
Total Equity	<u>8,712,667</u>	<u>12,197,297</u>
Profit/(loss) for the year	(3,772,078)	(1,864,896)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	<u>(3,772,078)</u>	<u>(1,864,896)</u>

(b) Guarantees entered into by the Parent

Pioneer Resources Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiary.

(c) Contingent liabilities of the Parent

Pioneer Resources Limited's contingent liabilities are consistent with those disclosed in Note 27.

(d) Capital commitment of the Parent

Pioneer Resources Limited's capital commitments are disclosed in Note 20.

26. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is disclosed in Note 12.

Directors, Officers, Employees and Other Permitted Persons Option Plan

Details of the Company's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

26. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (Continued)

Superannuation Commitments

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessment of the plans are required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.
- during the year employer contributions to superannuation plans (including salary sacrifice amounts) totaled \$61,923 (2013: \$63,644).

27. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the consolidated entity as at 30 June 2014 other than:

Native Title and Aboriginal Heritage

Native Title claims have been made with respect to areas which include tenements in which the consolidated entity has an interest. The consolidated entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the consolidated entity or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the consolidated entity has an interest.

28. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years, other than market announcements released to the Australian Securities Exchange since balance date which included the following:

Share Placements

- (i) On 11 September 2014 the Company announced it had completed a share placement of 58,237,500 ordinary shares at an issue price of 1.6 cents per share which raised \$931,800 (before issue costs). The shares were issued to professional and sophisticated investors in accordance with the Corporations Act 2001 and included clients of Bell Potter Securities Limited.
- (ii) On 11 September 2014 the Company also announced that Directors of the Company had applied for a total of 4,875,000 ordinary shares at an issue price of 1.6 cents per share seeking to raise \$78,000 (before issue costs). The issue of these shares will be subject to shareholder approval which will be sought at the Company's Annual General Meeting to be held in November 2014.

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

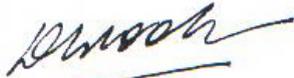
In the opinion of the Directors of Pioneer Resources Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 11 to 47, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2014 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that Pioneer Resources Limited will be able to pay its debts as and when they become due and payable.
- (c) the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 1(b) to the financial statements.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the financial year ended 30 June 2014.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 30th September 2014



D J Crook
Managing Director

Independent Auditor's Report to the members of Pioneer Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Pioneer Resources Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 11 to 48.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pioneer Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Pioneer Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Pioneer Resources Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff

Chris Nicoloff

Partner

Chartered Accountants

Perth, 30 September 2014

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT

Pioneer Resources Limited (or “the Company”) is committed to implementing and maintaining the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council’s second edition of its *Corporate Governance Principles and Recommendations with 2010 Amendments*. The ASX Listing Rules require the Company to report on the extent to which it has followed the recommendations published by the ASX Corporate Governance Council.

This statement outlines the main corporate governance practices in place during the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

The third edition of the Corporate Governance Principles and Recommendations was released on 27 March 2014 and takes effect for a listed entity’s first full financial year commencing on or after 1 July 2014. During the 30 June 2015 financial year the Company will review and update their corporate governance policies and practices.

Further information about the Company’s corporate governance practices are set out on the Company’s website at pioneerresources.com.au.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

The Board of Pioneer Resources Limited is responsible for its corporate governance, that is, the system by which the Company and its wholly owned controlled entity (“consolidated entity”) is managed. In governing the consolidated entity, the Directors must act in the best interests of the consolidated entity as a whole. It is the role of senior management to manage the consolidated entity in accordance with the direction and delegation of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the consolidated entity. The Board must also ensure that the consolidated entity complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the consolidated entity.

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors and key executives in the performance of their roles. The Code of Conduct is detailed in Section 3.1 of this statement and is contained on the Company’s website.

The Board represents shareholders’ interests in developing and then continuing a successful mineral resources business, which seeks to optimise medium to long-term financial gains for shareholders.

The Board is responsible for ensuring that the consolidated entity is managed in such a way to best achieve this desired result. Given the size of the consolidated entity’s exploration activities, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the consolidated entity, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the consolidated entity.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executive director and approving their remuneration;
- Appointing and removing the Company Secretary/Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the consolidated entity and measuring the performance of management against approved strategies;
- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and exploration expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the consolidated entity’s medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the consolidated entity’s financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the consolidated entity’s objectives and best practice are in place and that the consolidated entity and its officers act legally, ethically and responsibly on all matters.

The Board's role and the consolidated entity's corporate governance practices are being continually reviewed and improved as the consolidated entity's business develops. As noted above, the Board will be reviewing and updating their corporate governance policies and practices over the coming months in line with the third edition of the Corporate Governance Principles and Recommendations.

The Managing Director is responsible for running the affairs of the consolidated entity under delegated authority from the Board and implementing the policies and strategy set by the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the consolidated entity's operational results and financial position.

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the consolidated entity, in accordance with the delegated authority of the Board.

1.2 Composition of the Board

To add value to the consolidated entity, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the Directors' Report.

The consolidated entity recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr McGown the Non-Executive Chairman, Dr Trench and Mr Spilsbury are all Non-Executive Directors and are also considered independent. From the Company's perspective Directors are considered to be independent when they are independent of management and free from any business or other relationship which could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

If the consolidated entity's activities increase in size, nature and scope the size of the Board will be reviewed and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be re-assessed.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of Directors (other than the Managing Director) is subject to re-appointment by shareholders not later than the third anniversary following their last appointment. Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the consolidated entity. It is required to do all things that may be necessary to be done in order to carry out the objectives of the consolidated entity.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

1.3.1 Leadership of the Consolidated Entity

Overseeing the consolidated entity and establishing codes that reflect the values of the consolidated entity and guide the conduct of the Board, management and employees.

1.3.2 Strategy Formulation

Working with senior management to set and review the overall strategy and goals for the consolidated entity and ensuring that there are policies in place to govern the operation of the consolidated entity.

1.3.3 Overseeing Planning Activities

Overseeing the development of the consolidated entity's strategic plans (including exploration programmes and initiatives) and approving such plans as well as the annual budget.

1.3.4 Shareholder Liaison

Ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

1.3.5 Monitoring, Compliance and Risk Management

Overseeing the consolidated entity's risk management, compliance, control and accountability systems and monitoring and directing the operational and financial performance of the consolidated entity.

1.3.6 Consolidated Entity Finances

Approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.

1.3.7 Human Resources

Appointing, and, where appropriate, removing the Managing Director as well as reviewing the performance of the Managing Director and monitoring the performance of senior management in their implementation of the consolidated entity's strategy.

1.3.8 Ensuring the Health, Safety and Well-Being of Employees

In conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the consolidated entity's occupational health and safety systems to ensure the well-being of all employees.

1.3.9 Delegation of Authority

Delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the consolidated entity and establishing and determining the powers and functions of any sub-committees.

1.3.10 Environmental Management

Developing a policy, and in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the consolidated entity's systems.

Full details of the Board's role and responsibilities are contained in the Board Charter, a summary of which is contained on the Company's website.

1.4 Board Policies

Each member of the Board also supports the following policies in relation to undertaking their individual responsibilities:

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the consolidated entity; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act 2001*, absent himself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.5 Board Access to Information

Subject to the Directors' Conflict of Interest guidelines referred to in Section 1.4.1 above, Directors have direct access to members of the Company's management and to Company information in the possession of management.

1.4.6 Related Party Transactions

Related party transactions include any financial transaction between a Director and the consolidated entity. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.5 Diversity

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Given the present size of the Company, the Board has not adopted a Diversity Policy. The Board believes no efficiencies or other benefits could be gained by establishing a formal Diversity Policy. The Board will consider the adoption of a formal Diversity Policy if deemed appropriate in future.

Given the size of the Company, no measurable diversity objectives or strategies have been set however the current proportion of women employees in the Company, in staff, senior executive positions and on the Board is included below.

	Male	Female
Board	100%	-
Senior Management – Managing Director	100%	-
Staff	-	100%

2. BOARD COMMITTEES

The Board considers that the consolidated entity is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the consolidated entity's activities and to ensure that it adheres to appropriate ethical standards. The Board will consider the formation of Board committees following the review of the Company's corporate governance policies and procedures in line with the third edition of the Corporate Governance Principles and Recommendations.

2.1 Audit Committee

Due to its size and composition, the Board has not established a separate audit committee. However, the external auditor has full access to the Board throughout the year.

In the absence of an audit committee, the Board when required sets aside time at Board meetings to deal with the issues and responsibilities usually delegated to the audit committee so as to ensure the integrity of the financial statements of the consolidated entity and the independence of the external auditor. The external auditor is invited to attend Board meetings to provide a report on their full year audit and half year review throughout the financial year.

The Board in its entirety reviews the audited annual financial statements and the audit reviewed half-yearly financial statements and any reports which accompany published financial statements. The Board also considers the appointment of the external auditor and reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Board is responsible for establishing policies on risk oversight and management.

2.2 Remuneration Committee

The Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

The responsibilities of the Board in its entirety include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing the Pioneer Resources Limited Directors', Officers', Employees' and Other Permitted Persons' Option Plan, reviewing superannuation arrangements, reviewing the remuneration of Non-Executive Directors and undertaking an annual review of the Managing Director's performance, including, setting with the Managing Director goals for the coming year and reviewing progress in achieving those goals.

The Company is committed to remunerating its executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

Overall Director Remuneration: Shareholders must approve the framework for any equity schemes if a Director is recommended for being able to participate in such a scheme.

Non-Executive Director Remuneration: Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently \$400,000 per annum.

2.3 Nomination Committee

A separate nomination committee has not been formed as the Board considers the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating the function to a separate committee.

The responsibilities of the Board in its entirety include devising criteria for Board membership, regularly reviewing the need for various skills, experience and diversity on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Board also oversees management succession plans including the Managing Director and his direct reports, and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

Directors are appointed based on the specific governance skills required by the consolidated entity. Given the size of the consolidated entity and the business that it operates, the Company aims at all times to have at least one Director with experience in the mining and exploration industry, appropriate to the Company's market.

3. PROMOTING ETHICAL AND RESPONSIBLE DECISION-MAKING

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the consolidated entity.

3.1 Code of Conduct for Directors and Key Executives

The Board has adopted a Code of Conduct for Directors and key executives to promote ethical and responsible decision-making as per Recommendation 3.1. This code outlines how Pioneer Resources Limited expects its Directors and employees and its related bodies corporate to behave and conduct business in the workplace on a range of issues. The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

A summary of the Company's Code of Conduct is also available on the Company's website.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

3.2 Code of Ethics and Conduct

The Company has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company. A summary of the Company's Code of Ethics and Conduct is also available on the Company's website.

All Directors and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Company information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must advise that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, government authorities, creditors and the community as whole.

This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the consolidated entity's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and international financial reporting standards.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company's assets or resources.

Responsibilities to the Community

As part of the community the Company:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs; and
- encourages all employees to engage in activities beneficial to their local community.

Responsibilities to the Individual

The Company is committed to keeping private information confidential which has been provided by employees and investors and protect it from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Monitors and Ensures Compliance with its Code

The Board, management and all employees of the Company are committed to implementing this Code of Ethics and Conduct and each individual is accountable for such compliance.

Disciplinary measures may be imposed for violating the Code.

4. KEY MANAGEMENT PERSONNEL DEALING IN COMPANY SHARES

The Company has a formal trading policy relating to the trading of securities by key management personnel (including Directors) of Pioneer Resources Limited which complies with ASX Listing Rule 12.12. A copy of the Company's Securities Trading Policy is available on the Company's website.

5. INTEGRITY OF FINANCIAL REPORTING

In accordance with the Board's policy, the Managing Director and the Company Secretary made the attestations recommended by the ASX Corporate Governance Council and section 295A of the *Corporations Act 2001* as to the consolidated entity's financial condition prior to the Board signing this Annual Report.

On submission of a set of the Company's financial reports for review by the Board, senior management confirms that to the best of their knowledge and ability the financial reports present a true and fair view in all material aspects of the Company's financial condition and that operational results are in accordance with relevant accounting standards.

Further, the statement made by senior management regarding the integrity of the financial statements also includes a statement regarding risk management and internal compliance and control which influence the policies adopted by the Board.

6. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

6.1 Continuous Disclosure to ASX

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure that the Company achieves best practice in complying with its continuous disclosure obligations under the *ASX Listing Rules* and ensuring the Company and individual officers do not contravene the *ASX Listing Rules*.

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company.

The Managing Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. A Company Secretary is responsible for all communications with ASX.

The Continuous Disclosure Policy requires all executives and Directors to inform the Managing Director or in his absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

6.2 Communication with Shareholders

The Company places considerable importance on effective communications with shareholders. The Company's Shareholder Communications Strategy is available on the Company's website.

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company to be provided to shareholders. Mechanisms employed include:

- the disclosure of full and timely information about the Company's activities in accordance with the disclosure requirements contained in the ASX Listing Rules;
- ASX Quarterly Reports;
- Half Yearly Report and Annual Report; and
- Presentations at the Annual General Meeting/General Meetings.

The Board encourages the full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.

The Company's auditor is required to be present, and be available to shareholders, at the Annual General Meeting.

The Company also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

7. RISK MANAGEMENT

7.1 Approach to Risk Management and Internal Control

The Board recognises that risk management and internal compliance and control are key elements of good corporate governance.

The Company's Risk and Internal Control policy describes the manner in which the Company:

- identifies, assesses, monitors and manages business risks;
- identifies material changes to the Company's risk profile; and
- designs, implements and monitors the effectiveness of the internal compliance and control framework.

The Company considers that effective risk management is about achieving a balanced approach to risk and reward. Risk management enables the Company to capitalise on potential opportunities while mitigating potential adverse effects. Both mitigation and optimisation strategies are considered equally important in risk management.

7.2 Risk Management Roles and Responsibilities

The Board is responsible for reviewing and approving the Company's risk management strategy, policy and key risk parameters, including determining the consolidated entity's appetite for country risk and major investment decisions.

The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of the Company's internal control framework and risk management process, to the Managing Director and his executive team in conjunction with the Board.

Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the policy. This responsibility includes developing business risk identification, implementing appropriate risk treatment strategies and controls, monitoring effectiveness of controls and reporting on risk management capability.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and his team having ultimate responsibility to the Board for the risk management and control framework.

Areas of strategic, operational, legal, business and financial risks are identified, assessed and monitored to assist the Company to achieve its business objectives, and are highlighted in the Business Plan presented to the Board by the Managing Director each year. The main operational risks have been identified as continuing to adequately fund the consolidated entity's projects, retention of quality staff, commodity prices and exchange rate fluctuations and the generally increasing cost of operations in the exploration and mining industry.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the consolidated entity.

Significant areas of concern are discussed at Board level. When appropriate, experts are invited to address Board meetings on the major risks facing the consolidated entity and to develop strategies to mitigate those risks.

7.3 Integrity of Financial Reporting

The Company's Managing Director and Company Secretary report in writing to the Board that:

- the financial statements of the Company for each half and full year present a true and fair view, in all material aspects, of the consolidated entity's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

7.4 Role of External Auditor

The Board seeks to ensure that ensure that the appointment of the external auditor is limited to maintaining the independence of the external auditor and to assess whether the provision of any non-audit services by the external auditor that may be proposed is appropriate.

The services considered not acceptable for provision by the external auditor include:

- internal audit;
- acquisition accounting due diligence where the external auditor is also the auditor of the other party;
- transactional support for acquisitions or divestments where the external auditor is also the auditor of the other party;
- book-keeping and financial reporting activities to the extent such activities require decision-making ability and/or posting entries to the ledger;
- the design, implementation, operation or supervision of information systems and provision of systems integration services;
- independent expert reports;
- financial risk management; and
- taxation planning and taxation transaction advice.

It is a requirement that there is a rotation of the external audit partner at least every five years and there is a prohibition in relation to the re-involvement of a previous audit partner in the audit service for two years following rotation.

8. ENCOURAGE ENHANCED PERFORMANCE

Board and management effectiveness are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature of the matter.

The Board has no formal policy in place to encourage enhanced performance, as it considers, in the context of the size and nature of the Company, that it would not improve the present modus operandi.

No formal performance evaluation of the Board has been undertaken this financial year. The Board will undertake a formal Board performance review in the coming financial year following review and updating of its Corporate Governance Policies and Procedures. The Company will also consider conducting formal performance evaluations of the Board sub-committees, if relevant, and individual Directors.

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members.

The performance of each Director retiring at the next Annual General Meeting is taken into account by the Board in determining whether or not the Board should support the re-election of the Director. Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance.

Executive Remuneration Policy

The Company's remuneration policy aims to reward executives fairly and responsibly in accordance with the international market and ensure that the Company:

- provides competitive rewards that attract, retain and motivate executives of the highest calibre;
- sets demanding levels of performance which are clearly linked to an executive's remuneration;
- structures remuneration at a level that reflects the executive's duties and accountabilities and is where required, competitive within Australia and, for certain roles, internationally;
- benchmarks remuneration against appropriate comparator groups;
- aligns executive incentive rewards with the creation of value for shareholders; and
- complies with applicable legal requirements and appropriate standards of governance.

Executive remuneration is reviewed annually having regard to individual and business performance (compared against agreed financial and non-financial performance measures set at the start of the year), relevant comparative information and expert advice from both internal and independent external sources.

Remuneration consists of the following key elements:

- fixed remuneration (which includes base salary, superannuation contributions or equivalents and other allowances such as motor vehicles);
- variable annual reward (related to the Company and/or individual performance dictated by benchmark criteria); and
- issuance of unlisted options

The operational targets for the Directors including the Managing Director and management consist of a number of key performance indicators including safety, exploration results, operating expenditure, return to shareholders' funds, enhancing corporate credibility and creation of value for shareholders.

At the end of the calendar year the Board assesses the actual performance of the consolidated entity and individual against the key performance indicators previously set. Any cash incentives and/or options granted require Board approval. Options proposed to be granted to any Directors also require shareholder approval.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors. The Board seeks independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the Company.

9. ASX LISTING RULE DISCLOSURE – EXCEPTION REPORTING

As at 30 June 2014, the Company complied in all material respects with each of the Corporate Governance Principles and the corresponding Recommendations as published by the ASX Corporate Governance Council ("ASX Principles and Recommendations") except as noted below:

Recommendation Reference	Notification of Departure	Explanation for Departure
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base, experience and diversity of existing Directors to enable identification or attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board. The establishment of a separate Nomination Committee will be considered when the Board reviews its corporate governance policies and procedures in line with the third edition of the Corporate Governance Principles and Recommendations.
3.2, 3.3	Companies should establish a diversity policy and include measurable objectives for achieving gender diversity. Companies should disclose achievement of measurable objectives for gender diversity.	Given the present size of the Company, the Board has not adopted a Diversity Policy. The Board believes no efficiencies or other benefits could be gained by establishing a formal Diversity Policy. The Board will consider the adoption of a formal Diversity Policy if deemed appropriate in future given the size of the Company, the Board, the workforce and the activities of the Company. It is noted that the Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Whilst no measurable objectives have been set for achieving gender diversity, the Company has disclosed in this Annual Report the proportion of women employees in the Company, in senior executive positions and on the Board. The Board will consider the setting of measurable objectives for achieving gender diversity as the size of the Company, Board, workforce and the activity of the Company increase.

4.1, 4.2, 4.3	A separate Audit Committee has not been formed.	<p>The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.</p> <p>The establishment of a separate Audit and Risk Committee will be considered when the Board reviews its corporate governance policies and procedures in line with the third edition of the Corporate Governance Principles and Recommendations.</p>
7.1	A separate Risk Committee has not been formed to establish and document policies for the oversight and management of material business risks.	<p>The Board considers that the Company is not currently of a size to justify the formation of a risk committee. The Board as a whole undertakes the process of reviewing the risks of the Company. Where appropriate independent consultants are also engaged to review identified areas of risk.</p> <p>The establishment of a separate Audit and Risk Committee will be considered when the Board reviews its corporate governance policies and procedures in line with the third edition of the Corporate Governance Principles and Recommendations.</p>
8.1, 8.2	A separate Remuneration Committee has not been formed.	<p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.</p> <p>The establishment of a separate Remuneration Committee will be considered when the Board reviews its corporate governance policies and procedures in line with the third edition of the Corporate Governance Principles and Recommendations.</p>

PIONEER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange. The information was current as at 22 September 2014.

(a) Distribution schedule and number of holders of equity securities as at 22 September 2014

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares (PIO)	105	145	170	1,145	886	2,451
Unlisted Options – 3.5c 30/11/14	-	-	-	-	7	7
Unlisted Options – 4.5c 30/11/14	-	-	-	-	7	7
Unlisted Options – 5c 30/11/14	-	-	-	-	7	7
Unlisted Options – 10c 15/10/15	-	-	-	-	3	3
Unlisted Options – 30c 15/10/17	-	-	-	-	3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 22 September 2014 was 804.

(b) 20 Largest Holders of Quoted Equity Securities as at 22 September 2014

The names of the twenty largest holders of fully paid ordinary shares (ASX Code: PIO) as at 22 September 2014 were:

Rank	Name	Shares	% of Total Shares
1	Xstrata Nickel Australasia Investments Pty Ltd	21,396,935	3.50
2	Lobster Beach Pty Ltd	12,000,000	1.96
3	Philip & Janet Turner Pty Ltd <Turner Family S/F A/C>	11,150,000	1.82
4	MBM Corporation Pty Ltd	10,000,000	1.64
5	Alan Paul Rudd	8,025,000	1.31
6	W & E Mass Holdings Pty Ltd <Mass Family A/C>	8,000,000	1.31
7	Rafe Pty Ltd <Tomasich S/F A/C>	8,000,000	1.31
8	Claymore Investments Pty Ltd <Waldeck S/F A/C>	7,000,000	1.14
9	Basildene Pty Ltd <Warren Brown S/F A/C>	6,001,518	0.98
10	Peter Woodland	5,993,000	0.98
11	Olivier Robert Dupuy & Julie Elizabeth Dupuy <Enerjee S/F A/C>	5,000,000	0.82
12	Haydos Corporation Pty Ltd	5,000,000	0.82
13	Cedric Desmond Parker	4,909,877	0.80
14	Hazurn Pty Ltd <Buchhorn S/F A/C>	4,636,077	0.76
15	Complete Lending Solution Pty Ltd	4,500,000	0.74
16	Monex Boom Securities (HK) Limited <Clients Account>	4,421,299	0.72
17	Zoric & Co Pty Ltd	4,000,000	0.65
18	Lidong Zheng	4,000,000	0.65
19	Kurana Pty Ltd <Buchhorn Unit Fund A/C>	3,724,646	0.61
20	Christabel Jayne Brand <Brand Family A/C>	3,706,875	0.61
	TOTAL	141,465,227	23.13

Stock Exchange Listing – Listing has been granted for 611,462,300 ordinary fully paid shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 22 September 2014 are detailed below in Section (d) below.

(c) Substantial Shareholders

No substantial shareholding notices have been provided to Pioneer Resources Limited.

(d) Unquoted Securities

The number of unquoted securities on issue as at 22 September 2014:

Security	Number on issue
Unlisted options exercisable at 3.5 cents, on or before 30 November 2014	4,333,331
Unlisted options exercisable at 4.5 cents, on or before 30 November 2014	4,333,331
Unlisted options exercisable at 5 cents, on or before 30 November 2014	4,333,338
Unlisted options exercisable at 10 cents, on or before 15 October 2015	15,000,000
Unlisted options exercisable at 30 cents, on or before 15 October 2017	30,000,000

(e) Names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 22 September 2014

Security	Name	Number of Securities
Unlisted Options – 10c 12/10/15	Alan Paul Rudd	5,000,000
Unlisted Options – 10c 12/10/15	Donald Peter Huntly & Alevtina Borisovna Huntly <Deti Trading A/C>	5,000,000
Unlisted Options – 10c 12/10/15	Druidston Holdings Pty Ltd <Brand Superannuation A/C>	5,000,000
Unlisted Options – 30c 12/10/17	Alan Paul Rudd	10,000,000
Unlisted Options – 30c 12/10/17	Donald Peter Huntly & Alevtina Borisovna Huntly <Deti Trading A/C>	10,000,000
Unlisted Options – 30c 12/10/17	Druidston Holdings Pty Ltd <Brand Superannuation A/C>	10,000,000

(f) Restricted Securities as at 22 September 2014

There were no restricted securities on issue as at 22 September 2014.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(h) Company Secretaries

The Company Secretaries are Ms Julie Wolseley and Ms Susan Hunter.

(i) Registered Office

The Company's Registered Office 21 Ord Street, West Perth, Western Australia 6005.

(j) Share Registry

The Company's Share Registry is Security Transfer Registrars Pty Limited, 770 Canning Highway, Applecross, Western Australia, 6153. Telephone: (08) 9315 2333. Facsimile: (08) 9315 2233.

(k) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

Pioneer Resources Ltd
Summary of Tenements

Tenement	Holder	Status	Granted	Notes
Golden Ridge				
E26/139	Golden Ridge North Kambalda P/L	G	30/11/10	1, 12
M26/219	Golden Ridge North Kambalda P/L	G	02/05/88	1, 12
M26/220	Golden Ridge North Kambalda P/L	G	02/05/88	1
M26/221	Golden Ridge North Kambalda P/L	G	02/05/88	1, 12
M26/222	Golden Ridge North Kambalda P/L	G	02/05/88	1, 12
M26/223	Golden Ridge North Kambalda P/L	G	02/05/88	1, 12
M26/225	Golden Ridge North Kambalda P/L	G	02/05/88	1, 12
M26/284	Golden Ridge North Kambalda P/L	G	20/10/89	1, 12
M26/285	Golden Ridge North Kambalda P/L	G	20/10/89	1, 12
M26/287	Golden Ridge North Kambalda P/L	G	20/10/89	1, 12
M26/288	Golden Ridge North Kambalda P/L	G	20/10/89	1, 12
M26/289	Golden Ridge North Kambalda P/L	G	20/10/89	1, 12
M26/384	Golden Ridge North Kambalda P/L	G	15/10/91	1, 12
Gindalbie				
E27/336	Pioneer Resources Ltd	G	09/01/07	3
E31/1029	Pioneer Resources Ltd	G	23/04/13	
Juglah Dome				
E25/381	Western Copper Pty Ltd	G	21/05/09	4
E25/496	Pioneer Resources Ltd	G	01/11/13	
E25/514	Pioneer Resources Ltd	P	not granted	
E25/515	Pioneer Resources Ltd	P	not granted	
Acra				
E27/273	Pioneer Resources Ltd	G	22/12/05	2
E27/278	Pioneer Resources Ltd	G	13/12/05	2, 8
E27/438	Pioneer Resources Ltd	G	18/05/12	
E27/482	Pioneer Resources Ltd	G	05/12/12	
E27/491	Pioneer Resources Ltd	G	15/03/13	
E27/520	Pioneer Resources Ltd	G	21/01/14	2
E28/1746	Pioneer Resources Ltd	G	20/02/08	2, 8
E28/2109	Pioneer Resources Ltd	G	02/05/11	8
E28/2314	Pioneer Resources Ltd	G	27/02/14	
E28/2315	Pioneer Resources Ltd	G	23/12/13	
E28/2316	Pioneer Resources Ltd	G	23/12/13	
E28/2483	Pioneer Resources Ltd	P	not granted	
E31/872-I	Pioneer Resources Ltd	G	09/02/10	2
P28/1120	Pioneer Resources Ltd	G	20/02/08	8
Mt Thirsty				
E63/1182	Pioneer Resources Ltd	G	21/07/08	
Fairwater				
E63/1244	Pioneer Resources Ltd / National Minerals P/L	G	18/10/11	11
E63/1651	Pioneer Resources Ltd / National Minerals P/L	P	not granted	11
E63/1665	Pioneer Resources Ltd / National Minerals P/L	P	not granted	11
E63/1666	Pioneer Resources Ltd / National Minerals P/L	P	not granted	11
E63/1667	Pioneer Resources Ltd / National Minerals P/L	P	not granted	11
E63/1714	Pioneer Resources Ltd / National Minerals P/L	P	not granted	11

**Pioneer Resources Ltd
Summary of Tenements**

Tenement	Holder	Status	Granted	Notes
Asburton				
E08/2624	Western Copper Pty Ltd	P	not granted	4
E52/3079	Western Copper Pty Ltd	G	08/08/14	4
E52/3080	Western Copper Pty Ltd	G	08/08/14	4
E52/3081	Western Copper Pty Ltd	G	08/08/14	4
Balagundi				
E27/341	Western Copper Pty Ltd	G	25/09/09	4
E27/429	Western Copper Pty Ltd	G	04/01/11	4
Wattle Dam				
M15/1101	Tychean Resources Ltd	G	19/03/04	3, 5a, 5b
M15/1263	Tychean Resources Ltd	G	24/08/04	3, 5a, 5b
M15/1264	Tychean Resources Ltd	G	24/08/04	3, 5a, 5b
M15/1323	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1338	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1769	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1770	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1771	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1772	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
M15/1773	Tychean Resources Ltd	G	30/06/08	3, 5a, 5b
Larkinville				
M15/1449	Tychean Resources Ltd / Pioneer Resources Ltd	G	06/09/12	6a, 6b
P15/4765	Tychean Resources Ltd / Pioneer Resources Ltd	G	17/06/10	6a, 6b
P15/5912	Tychean Resources Ltd / Pioneer Resources Ltd	P	not granted	6a, 6b
Maggie Hayes Hill JV				
E63/625	Lake Johnston P/L / Pioneer Resources Ltd	G	08/09/03	7
Pioneer JV				
E63/1669	Pindan Exploration Company P/L / Pioneer Resources Ltd	P	not granted	12
Ravensthorpe				
E74/392	Silver Lake Resources Ltd	G	20/03/08	10a, 10b
E74/399	Silver Lake Resources Ltd	G	29/04/09	10a, 10b
E74/406	Silver Lake Resources Ltd	G	12/08/09	10a, 10b
M74/163	Silver Lake Resources Ltd	G	28/08/06	10a, 10b
P74/260	Silver Lake Resources Ltd	G	04/08/09	10a, 10b
P74/305	Silver Lake Resources Ltd	G	19/02/08	10a, 10b
P74/306	Silver Lake Resources Ltd	G	19/02/08	10a, 10b
E74/537	Silver Lake Resources Ltd	G	03/12/13	10a, 10b
P74/349	Silver Lake Resources Ltd	G	06/12/13	10a, 10b
P74/350	Silver Lake Resources Ltd	G	06/12/13	10a, 10b
P74/351	Silver Lake Resources Ltd	G	06/12/13	10a, 10b
P74/352	Silver Lake Resources Ltd	G	06/12/13	10a, 10b
P74/355	Silver Lake Resources Ltd	P	not granted	10a, 10b
Tasmania				
E36/2003	Bass Metals Ltd	G	31/07/04	9

Pioneer Resources Ltd Summary of Tenements

NOTES

- 1 Golden Ridge North Kambalda P/L is a wholly-owned subsidiary of Pioneer
- 2 Heron Resources Ltd retains nickel laterite ore
- 3 Heron Resources Ltd retains pre-emptive right to purchase Nickel Laterite Ore
- 4 Western Copper Pty Ltd is a wholly-owned subsidiary of Pioneer
- 5a Wattle Dam JV Agreement: Title, Gold and Tantalum Rights held by Tychaean Resources Ltd
- 5b Wattle Dam JV Agreement: Tychaean has an 80% interest in NiS minerals, Pioneer 20% free carried interest
- 6a Larkinville JV Agreement: Tychaean Resources Ltd 75% in Gold and Tantalite, Pioneer 25% free carried interest
- 6b Larkinville JV Agreement: Tychaean has an 80% interest in nickel rights, Pioneer 20% free carried interest
- 7 Maggie Hays Lake JV Agreement: Lake Johnston Ltd 80%, Pioneer has a 20% free carried interest
- 8 Xtrata Nickel Australasia Operations Pty Ltd 100% NiS, 0.5% NSR for Au, Pioneer 100% Au, 0.5% NSR Ni
- 9 Heazlewood Royalty Agreement: Bass Metals Ltd. Pioneer 2% NSR
- 10a Ravensthorpe: Mineral Resources Ltd option to acquire Fe and Mn rights. Pioneer may receive a royalty
- 10b Ravensthorpe: Title and rights to all minerals except Fe and Mn held by Silver Lake Resources Ltd. Pioneer 1.5% NSR
- 11 Fairwater JV Agreement: Pioneer 75% Interest, National Minerals P/L 25% free carried interest
- 12 Gold royalty held by Morgan Stanley Finance Pty Ltd and Morgan Stanley Capital Group inc
- 13 Pioneer JV Agreement: Pioneer 20% free-carried to a decision to mine.

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