

Monday 31st January 2011

Pioneer Resources Limited (ASX: PIO)

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2010**

HIGHLIGHTS

Mt Jewell Gold Project – Substantial work programs prepared for the March 2011 quarter

- **Mineral Resource definition drilling and further target testing programs to proceed in February 2011**
 - Resource definition RC* and diamond drilling will be undertaken at the Hughes and Tregurtha Prospects
 - Mineralisation identification RC drilling will be undertaken at the Criterion, Pianto and other RAB-generated targets
 - RAB drilling is planned for the Wild Dog Prospect once regulatory approvals are received. This is likely to be in April 2011

Work Completed

- **RAB Drilling: 6 sub-surface gold anomalies identified**
 - The Mt Jewell Gold Project RAB program, totalled 628 holes for 30,330m, was finished
- **Auger Sampling: The target generation pipeline delivers new surface gold targets**
 - Auger soil sampling, totalling 2,793 sites over 100km², was finalised at the Mt Jewell Gold Project resulting in 6 new gold-in-soil anomalies
 - Auger soil sampling totalling 391 sites has indicated 2 targets at the new Juglah Gold Project, 4.5km SE from the Majestic Gold Deposit (Integra Mining Limited)
- **Aeromagnetic Survey: Project structural geology and regolith is better understood**
 - A 420km² survey was flown, completing coverage for the entire Mt Jewell Gold Project

Golden Ridge Joint Venture – EM surveys generate 3 promising conductor anomalies

- Three conductor anomalies have been modelled as independent of known stratigraphic conductors. One anomaly is interpreted to occur on the same ultramafic contact as the Blair Nickel Mine.

CORPORATE

No capital initiatives were undertaken during the quarter. The Company has 400,614,885 ordinary shares on issue.

At 31 December 2010 Pioneer had cash reserves of \$4.075 million and no debt.

* Abbreviations are explained in the glossary

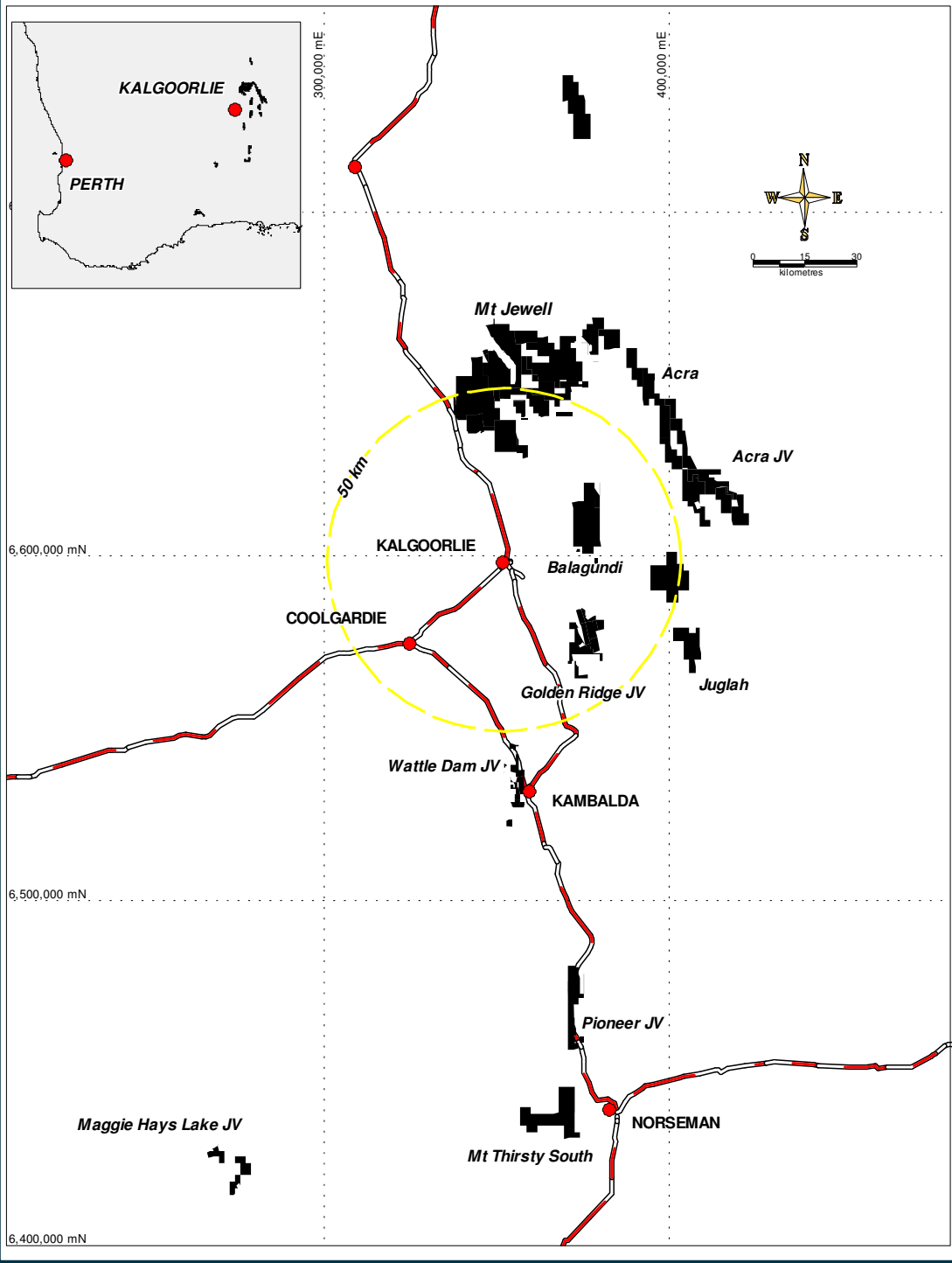


Figure 1: Tenement Location Plan

1 MT JEWELL GOLD PROJECT

(Pioneer 100%.)

The Mt Jewell Gold Project is continuing to show the potential required to become the Company's first producing asset and over 80% of the 2011 budget is dedicated to advancing this project.

During the December 2010 quarter the Company completed an internal desktop scoping study for the Tregurtha and Hughes gold deposits principally to identify where further drilling was needed to facilitate Mineral Resource estimations scheduled for the June 2011 quarter.

Field work for the quarter concentrated on a strategy of regional exploration to identify the next round of gold targets. The scheduled programs were all successfully completed and results have generated a suite of targets that will be further advanced during 2011.

The first priority for 2011 will be to infill drill the Tregurtha and Hughes Prospects, commencing in February.

Work completed during the December 2010 quarter:

- An aeromagnetic survey covering 420km² was flown, providing coverage for the Golden Cities North Project. The Company now holds detailed coverage for the entire project. Magnetic data imagery is a primary tool for target generation
- A program of auger geochemical sampling totalling 2,442 samples was completed. The program tested conceptual targets and covered a combined area of 100km². From the results 6 gold-in-soil anomalies have been identified for further work
- A 628 hole, 30,330m program of RAB drilling was completed. The next pass of RAB drilling will commence testing 6 anomalies and will entail several passes of progressively closer drilling to test for the presence of gold in weathered rock
- A flora survey for the Tregurtha and Hughes Prospects was completed, which is one of a number of pre-requisites for a mining lease

The locations of the current exploration targets are shown on Figure 3 on page 4.

OUTLOOK

The exploration program for the March 2011 quarter includes:

- Drilling at Hughes and Tregurtha Prospects: When completed, the data density is expected to be sufficient to undertake formal Mineral Resource estimations and basic economic modelling
- First pass RC drilling at newer prospects: A budget to drill approximately 40 holes has been allocated to test RAB anomalies at Criterion, Pianto, Airstrip and Western Contact Prospects

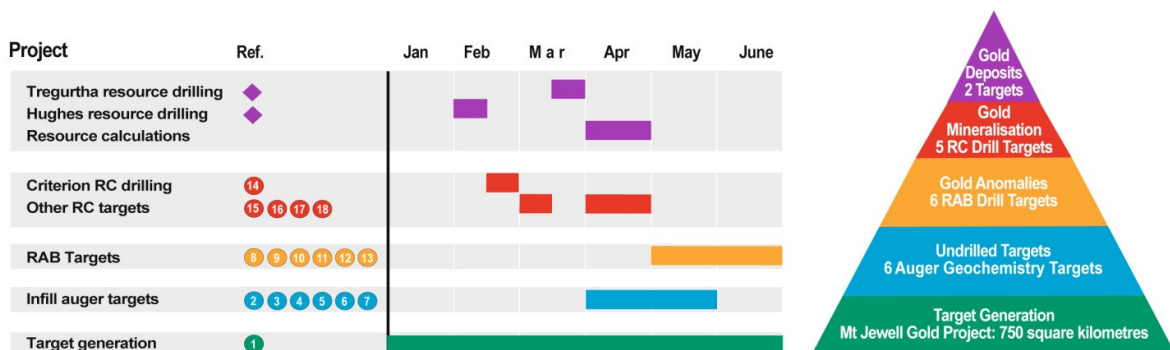


Figure 2. Project work timeline.

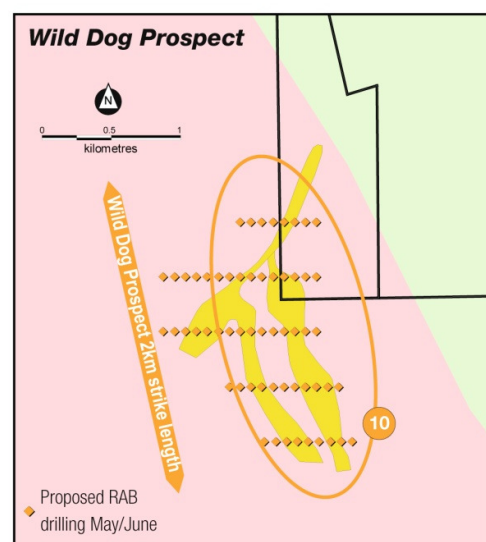
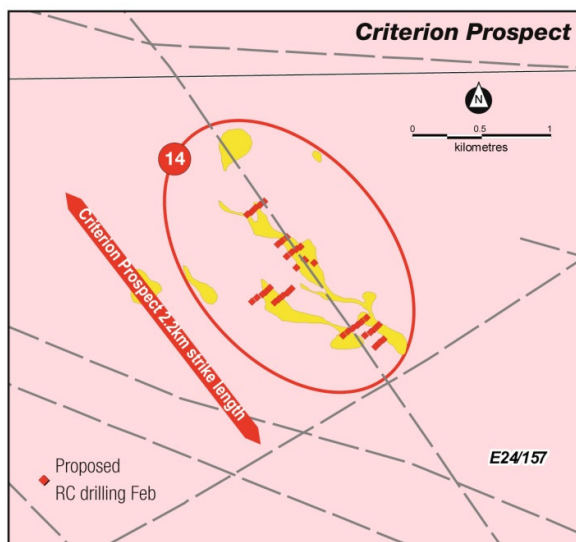
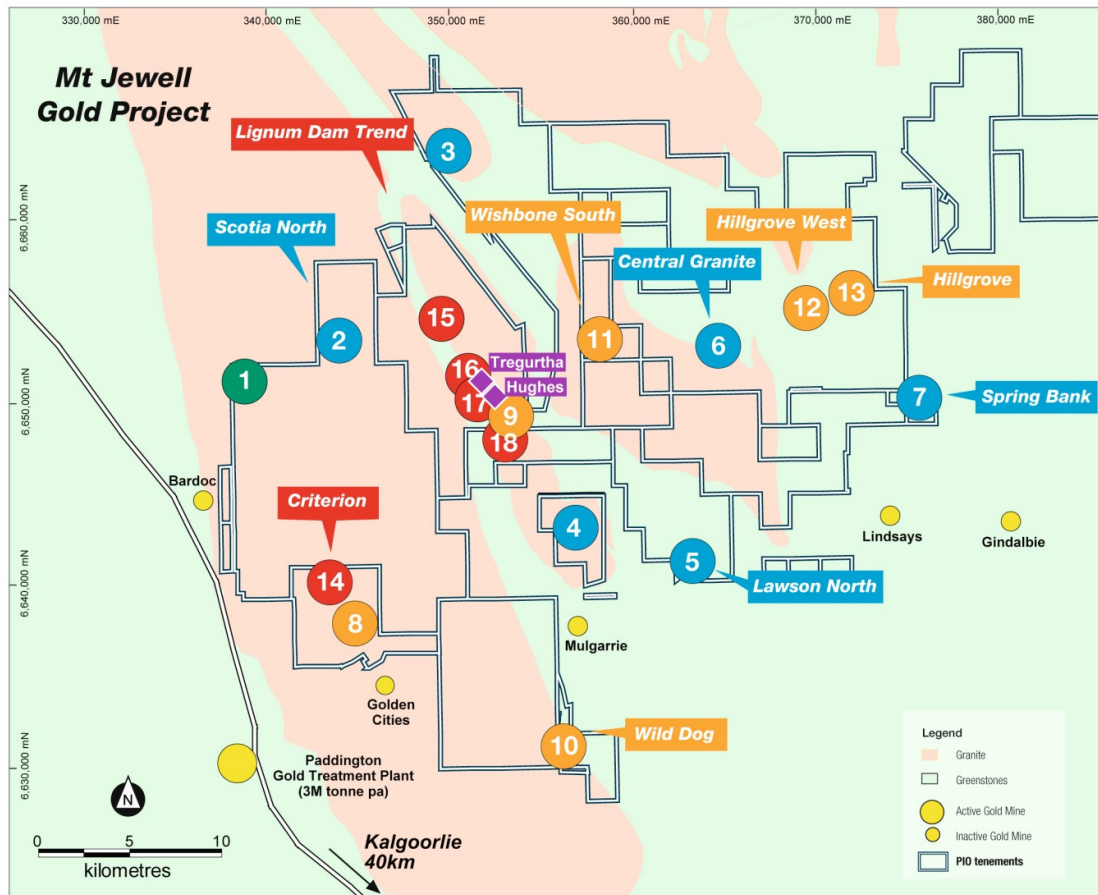


Figure 3. Project tenements and current targets.

2 JUGLAH GOLD PROJECT: A new gold target for Pioneer

(Pioneer 100%.)

The Company has identified two gold-in-soil anomalies within a NW-SE orientated structural corridor that crosses the Juglah Gold Project. The new anomalies were identified as a result of an auger geochemistry program, where 391 samples were collected by Pioneer. Of importance, Integra Mining Limited recently announced a 256,000oz Mineral Resource for its Majestic Gold Prospect which is approximately 4.5km NW from Pioneer's tenement.

OUTLOOK

Aeromagnetic data has recently been acquired. This will be interpreted in conjunction with the auger geochemistry and other data to define targets for RAB drill testing.

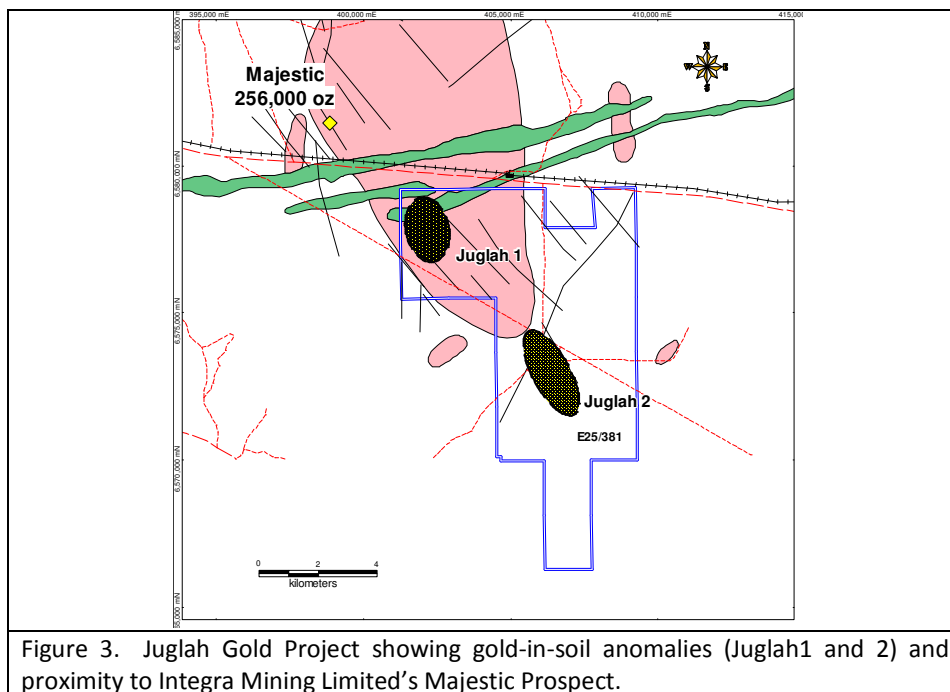


Figure 3. Juglah Gold Project showing gold-in-soil anomalies (Juglah1 and 2) and proximity to Integra Mining Limited's Majestic Prospect.

3 GOLDEN RIDGE NICKEL JV PROJECT: EM targets generated, follow-up surveys planned

(Pioneer 56%, Australian Mines Limited 44%.)

Each Company contributes to exploration expenditure on a pro-rata basis.

The Golden Ridge Nickel JV Project is located 30km SE of Kalgoorlie and is prospective for nickel sulphide deposits.

An extensive program of moving loop and fixed loop EM surveys were undertaken, which tested for the presence of conductive bodies which may include lenses of massive nickel sulphides. The validation of the EM anomalies will be the culmination of a rigorous exploration process involving stratigraphic drilling, geological and geochemical investigations. In all, 30 line kilometres of EM readings, covering 13 prospective locations, were taken.

Ground EM is considered well suited to this area as an exploration tool for nickel sulphide mineralisation.

Three anomalies of significance have been identified which, on interpretation, project onto sediment-free ultramafic rock contacts. The locations of conductors, including the three priority anomalies, B-1, A36-38_6 and A20_2, are shown on Figure 4 below.

The three anomalies were modelled as discrete, late-time, strongly conductive responses. Other anomalies also modelled correlated with known sulphidic black shale sediments, and are therefore considered non-prospective.

The three priority anomalies require a more detailed EM survey to better resolve their depth and orientation before drill testing can be conducted. The highest priority target is located east of, and on the same ultramafic contact as, the Blair Nickel Mine, which closed in December 2008.

Work is also ongoing in assessing in detail the extended Blair Mine basal contact. The historic drilling is being reviewed within a revised structural framework. Areas of high potential with limited drilling coverage will be the focus of future exploration programs.

OUTLOOK

- SAMSON EM surveys to better define the 3 priority conductor anomalies
- EM survey of the Marshall and Marshall South targets
- Follow-up EM surveys of the Anomaly 20 and Anomaly 36-38 conductors

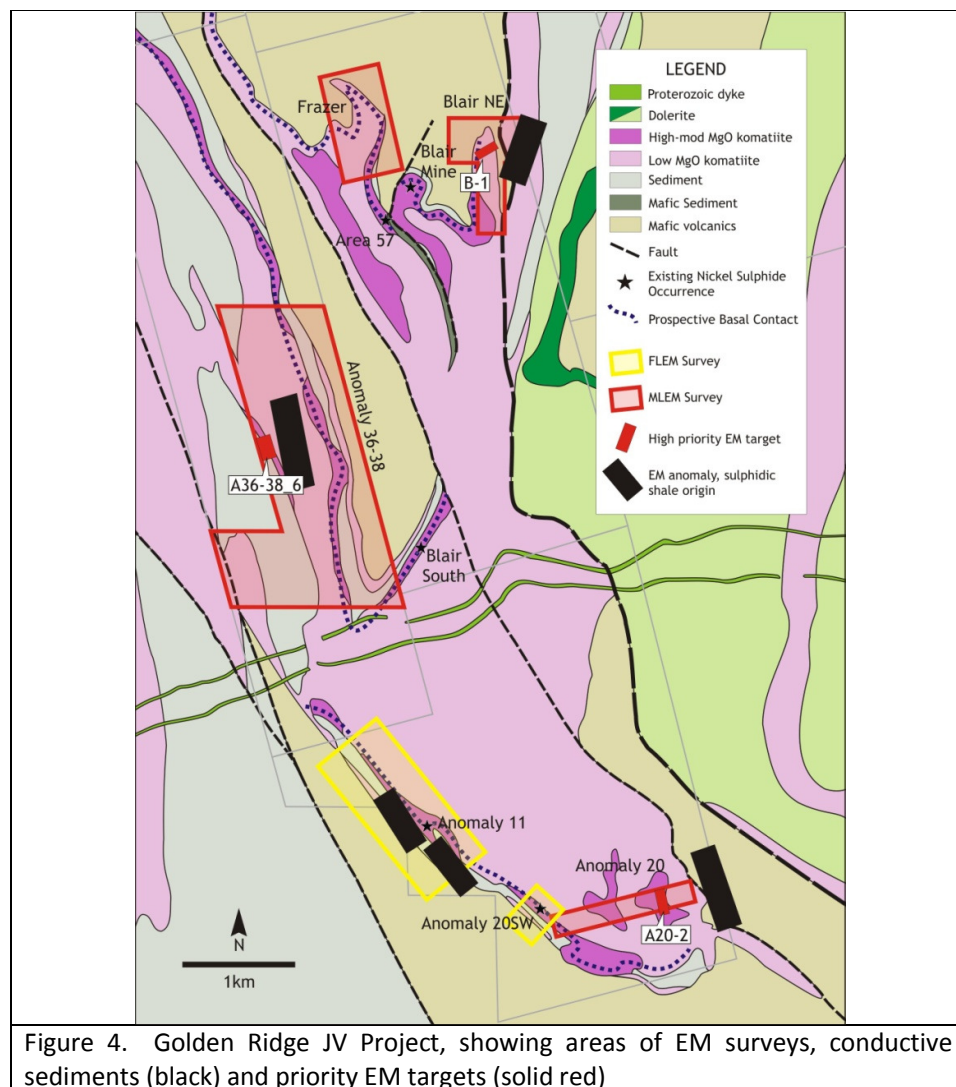


Figure 4. Golden Ridge JV Project, showing areas of EM surveys, conductive sediments (black) and priority EM targets (solid red)

4 MT THIRSTY SOUTH NICKEL PROJECT

(Pioneer 100%.)

The Mt Thirsty South Project is located 150km S of Kalgoorlie, WA.

A staged RAB drilling program, comprising up to 115 holes for 4,250m, is planned. The program is designed to correlate nickel sulphide-bearing ultramafic stratigraphy within Pioneer's tenement. Pioneer's immediate tenement neighbour has previously announced a nickel sulphide discovery located approximately 400m north of Pioneer's tenements.

5 ACRA NICKEL JOINT VENTURE PROJECT

(Pioneer 20%, Xstrata Nickel Australasia Pty Ltd 80%.)

All exploration costs are fully funded by Xstrata Nickel Australasia.

The Acra Joint Venture Project is located near Kurnalpi, approximately 65km NE of Kalgoorlie, WA. The targeted commodity is nickel sulphide mineralisation.

Two surface fixed loop EM geophysical surveys totalling 48 line kilometres (or 5km²) were completed.

The first survey comprising three loops was completed at the Jubilee West Prospect. A total of 36 line kilometres surveyed.

The Jubilee West survey produced two anomalies of interest.

- The first, located in the vicinity of drill holes JBDD014 and 015, is a strong anomaly with a late time step response detected over 8 lines (800m), along strike and north of the Jubilee nickel sulphide gossan
- The second was detected in the northern end of the survey area. This also has a strong late time step response and was detected over 9 lines (900m)

It is not yet been known if these responses relate to magnetic effects, or reflect large stratigraphic conductors such as black shales. Further investigation is required on these anomalies before any recommendations can be given.

6 PIONEER NICKEL JOINT VENTURE PROJECT

(Pioneer 20%, Panoramic Resources Limited 80%.)

All exploration costs are fully funded by Panoramic.

The Pioneer Joint Venture Project is located 140km S of Kalgoorlie, WA.

Panoramic previously reported that moving loop EM surveys had detected four conductors, and those with the highest potential for massive nickel sulphide mineralisation would be drill tested.

Six holes were completed. Four of the six holes intersected conductive graphitic and sulphidic sediments, and while assays have not been received, these are unlikely to have significant nickel mineralisation.

Yours sincerely



Managing Director

For more information please contact:

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Glossary:

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

“EM” means electromagnetic, a geophysical survey technique used to locate conductive rocks which may host nickel sulphide mineralisation. There are a number of configurations of transmitters, receivers and processing available depending on the application.

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

“ppm” means 1 part per million by weight.

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

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

“Au” means gold.

“Cu” means copper.

“Ni” means nickel.

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

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Resources Limited, a member of The Australasian Institute of Mining and Metallurgy (member 105893) and is a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this report.

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

PIONEER RESOURCES LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

31 December 2010

1 Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,187)	(1,700)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(230)	(452)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	96
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Joint venture and other exploration funding	24	250
Net Operating Cash Flows		(1,344)	(1,806)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(10)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Tenement bonds refunded	-	-
Net investing cash flows		(2)	(10)
1.13	Total operating and investing cash flows (carried forward)	(1,346)	(1,816)

1.13	Total operating and investing cash flows (brought forward)	(1,346)	(1,816)
	Cash flows related to financing activities		
1.14	Proceeds from capital raisings etc.	-	4,573
1.15	Refund of oversubscriptions from capital raisings	-	(926)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	(25)	(93)
	Net financing cash flows	(25)	3,554
	Net increase (decrease) in cash held	(1,371)	1,738
1.20	Cash at beginning of quarter/year to date	5,446	2,337
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,075	4,075

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	\$105
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Within item 1.2

(i) Managing Director and Non-Executive Directors' remuneration - \$105k

2 Non-cash financing and investing activities

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

NIL

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

NIL

3 Financing facilities available

Add notes as necessary for an understanding of the position.

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

4 Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	800

5 Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	41	28
5.2 Deposits at call	4,034	5,418
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,075	5,446

6 Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E15/896	JV interest	20% Au 25% Ni	0%
6.2 Interests in mining tenements acquired or increased	E26/139 P27/2017 P27/2018 P27/2019	JV Interest Registered Holder Registered Holder Registered Holder	0% 0% 0% 0%	56% 100% 100% 100%

7 Issued and quoted securities at end of current quarter

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

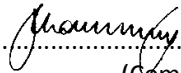
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	400,614,885	400,614,885		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	-		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Options	1,000,000	-	25 cents each	31 Aug 2011
Unlisted Options	2,400,000	-	22 cents each	8 Sept 2011
Unlisted Options	200,000	-	25 cents each	31 March 2012
Unlisted Options	350,000	-	25 cents each	30 June 2011
Unlisted Options	250,000	-	30 cents each	30 June 2011
Unlisted Options	750,000	-	20 cents each	30 June 2012
Unlisted Options	750,000	-	22 cents each	30 June 2013
Unlisted Options	3,366,665	-	8.5 cents each	30 Nov 2013
Unlisted Options	3,341,665	-	10 cents each	30 Nov 2013
Unlisted Options	3,341,670	-	12 cents each	30 Nov 2013
Unlisted Options	2,000,000	-	10 cents each	31 Dec 2011
Unlisted Options	2,000,000	-	12 cents each	31 Dec 2011
Unlisted Options	433,333	-	8.5 cents each	31 Dec 2013
Unlisted Options	433,333	-	10 cents each	31 Dec 2013
Unlisted Options	433,334	-	12 cents each	31 Dec 2013

7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter				
	Unlisted Options	-			
7.11	Debentures				
	<i>(totals only)</i>				
7.12	Unsecured notes				
	<i>(totals only)</i>				

8 Compliance statement

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

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

Sign here:  Date: 28 January 2011
(Company secretary)

Print name: JULIE ANNE WOLSELEY

9 Notes

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

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

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

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

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

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