

Monday 30 April 2012

Pioneer Resources Limited (ASX: PIO)

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

Western Mt Jewell Gold Project

- Pioneer has agreed to sell its Western Mt Jewell Project for \$8 million
- Sale is subject to Shareholders' approval which will be sought at a General Meeting to be held on 18 May 2012, with completion then expected within seven days
- Following completion of the sale and on receiving the initial instalment of \$4.5 million, the Company will have approximately \$7 million in cash and no debt, with an additional \$3.5 million of cash receivable over the next three years
- This places Pioneer in a very strong financial position to progress its existing projects and investigate new opportunities

Gindalbie Gold Project

- Gravity geophysics and detailed soil geochemistry has yielded two drill targets - drilling is about to commence and results are expected by the end of June 2012

Juglah Dome Gold Project

- Detailed soil geochemistry has produced three drill targets - drilling results are also expected by the end of June 2012

Golden Ridge Nickel Project

- Seven nickel targets require detailed EM* surveys. These surveys have commenced

Corporate

No capital raising initiatives were pursued during this quarter. At 31st March 2012 the Company had cash reserves of approximately \$2.8 million and no debt

* Abbreviations are explained in the Glossary

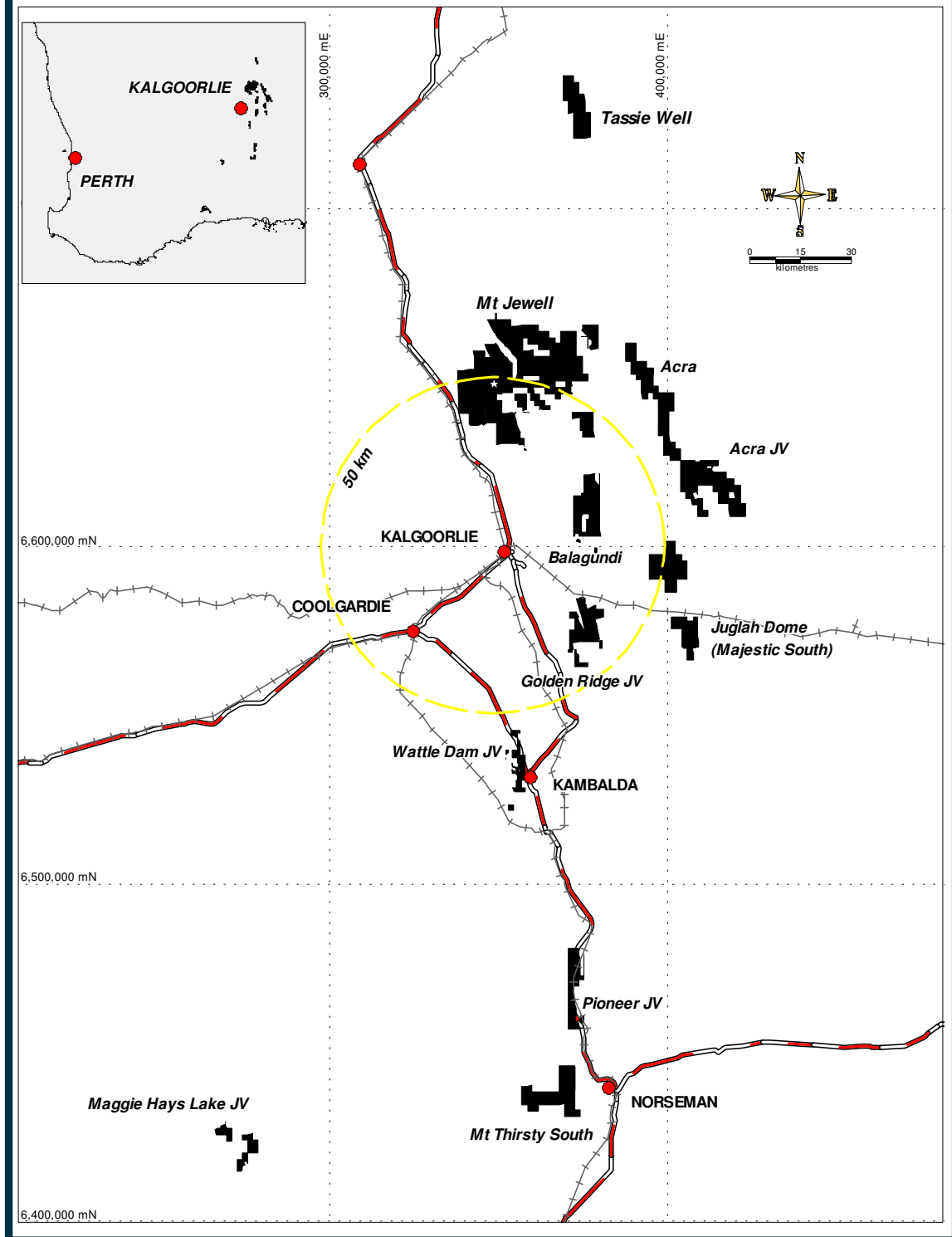


Figure 1: Tenement Location Plan

WESTERN MT JEWELL GOLD PROJECT

Currently Pioneer 100%, subject of a sale agreement with Carrick Gold Limited

The **Mt Jewell Gold Project** is located 55 km north of Kalgoorlie, WA. Due to the impending sale of the western project area, including the Tregurtha and Hughes gold deposits, the area has been subdivided into the Western Mt Jewell Gold Project - the subject of the sale - and the eastern Mt Jewell Gold Project tenements, which will be renamed the Gindalbie Gold Project and retained by Pioneer (as shown on Figure 2 below).

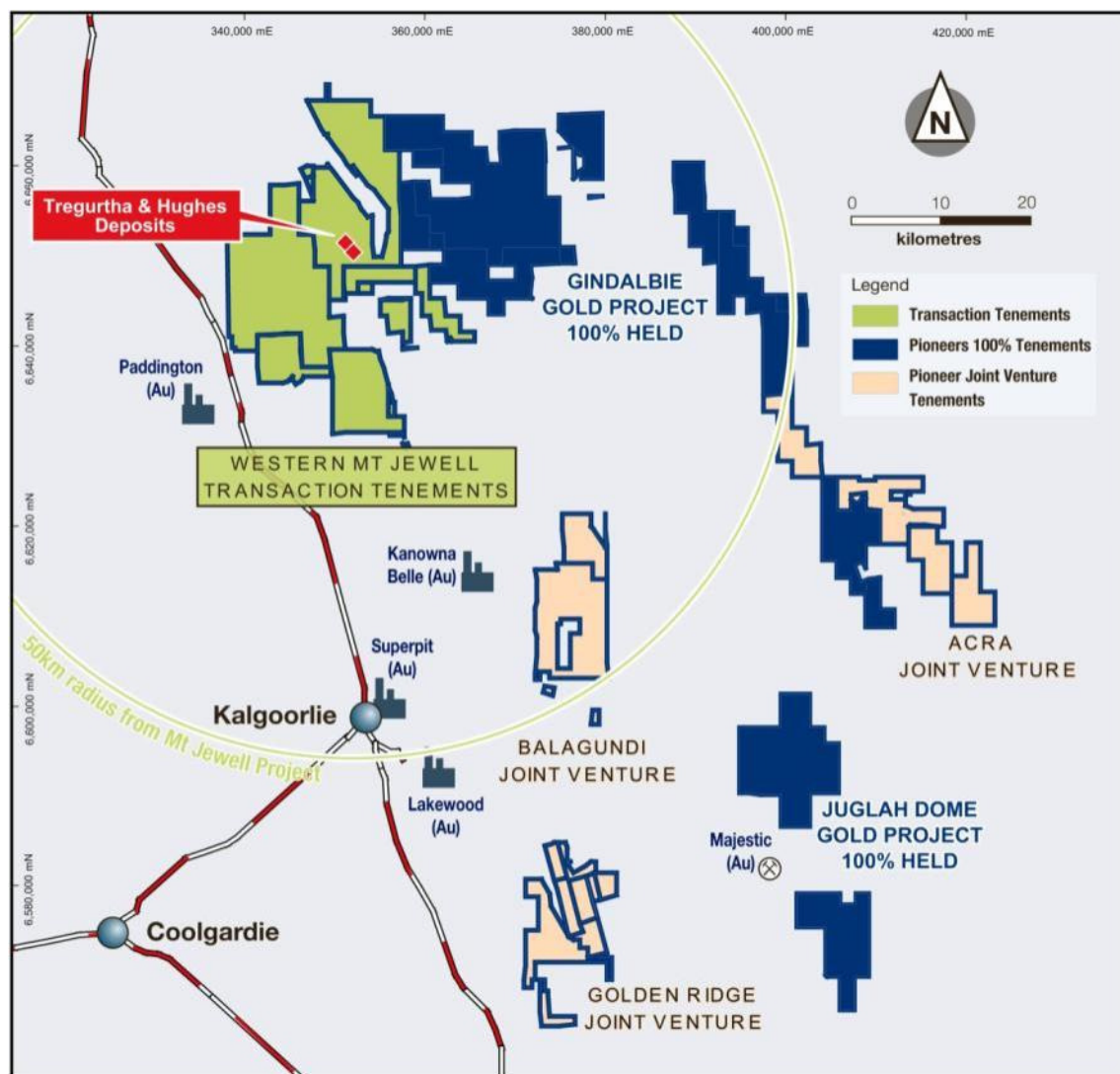


Figure 2: Kalgoorlie Area Tenements

WESTERN MT JEWELL GOLD PROJECT TO BE DIVESTED FOR \$8 MILLION

On 13th March 2012 the Company announced that it had entered into a conditional agreement with Carrick Gold Limited ("Carrick") for the sale of the Western Mt Jewell Gold Project tenements, including the Tregurtha and Hughes gold deposits, for a total consideration of \$8 million. The transaction is conditional on certain conditions precedent, primarily Pioneer shareholders' approval, which will be sought at a general meeting to be held on 18th May 2012.

Carrick will pay Pioneer the total consideration in four instalments:

- The first \$4.5 million following satisfaction of certain conditions precedent, principally the requirement for Pioneer shareholders' approval
- Two instalments of \$1.2 million each to be paid on 6 March 2013 and 6 March 2014 and
- A final instalment of \$1.1 million to be paid on 6 March 2015.

The sale consideration of \$8 million represents a value of \$43 per in-situ ounce and a substantial surplus over the expenditure incurred by Pioneer on the project.

*[Click on the link to view the video about the sale at
www.pioresources.com.au/goldassetsale.php](http://www.pioresources.com.au/goldassetsale.php)*

GINDALBIE GOLD PROJECT

TWO NEW DRILL TARGETS GENERATED FOR THE GINDALBIE GOLD PROJECT

Pioneer 100%. Gold

Pioneer has retained a very large tenement portfolio within the Kalgoorlie area including 100% of the eastern Mt Jewell Gold Project tenements – now renamed the Gindalbie Gold Project.

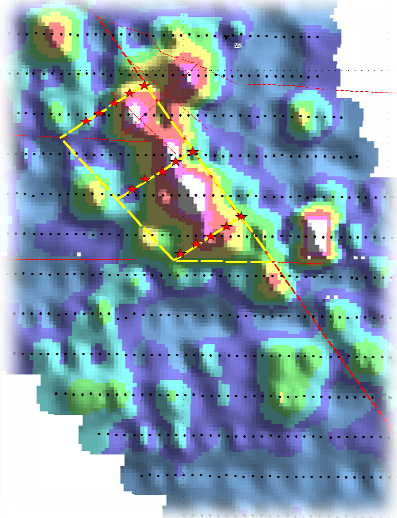
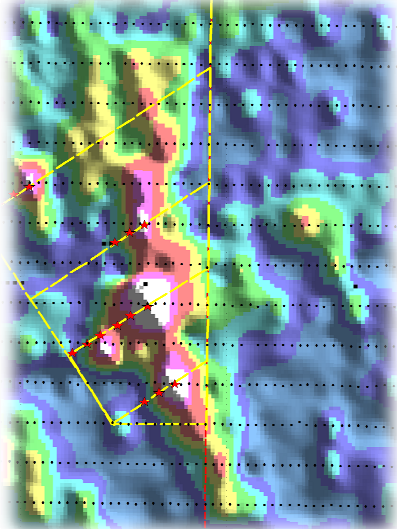
Exploration activities for the March quarter focused on generating new gold targets and this work was very successful, identifying two new targets. Drilling will commence in early May 2012 with results expected to be available by the end of June 2012.

Work undertaken during the March 2012 quarter included:

- A gravity survey covering much of the Gindalbie Gold Project. The program consisted of 4,235 stations on a 500x250m grid covering 490 km². The survey provided information about large, deeply rooted geological structures which may be related to gold mineralising events
- Soil sampling, with 3,480 samples (including duplicates and standards) taken. In addition, all soil sites were assayed using a hand held x-ray (XRF) analyser and
- Acquisition of a beneficial right to exploration Licence E27/384. This is a natural adjunct to Pioneer's Gindalbie Gold Project, in a highly prospective location south of the Lindsay's Find Gold Deposit (Carrick Gold Limited) and the recent Lindsay's South drill intersections (Hawthorn Resources Limited).

OUTLOOK

RAB Drilling will commence during May 2012, and results are expected be received before the end of June 2012 (refer to Figures 3 and 4 which show gold geochemistry images and some proposed drill sites). Further drilling will be undertaken on these and other new targets, based on success, during the remainder of this year and next.

	<p><i>Gindalbie SW002 Grid</i></p> <p><i>Figure 3. Gold in soil anomaly SW002 showing an image of gold results (white is high) and proposed drill sites. The gold anomaly is approximately 400m long.</i></p> <p><i>Grid lines (black dots) are 100m N-S apart.</i></p>
	<p><i>Gindalbie SW003 Grid</i></p> <p><i>Figure 4. Gold in soil anomaly SW003 showing an image of gold results (white is high) and proposed drill sites. The gold anomaly is approximately 600m long and may overlay multiple potentially mineralised structures.</i></p> <p><i>Grid lines (black dots) are 100m N-S apart.</i></p>

JUGLAH DOME GOLD PROJECT

Pioneer 100%. Gold

The Juglah Dome Gold Project is located 58 km southeast of Kalgoorlie, WA. The Project is located some 5 km southeast of the Majestic Gold Deposit, a gold deposit recently drilled by Integra Mining Limited. Initial gold targets resulted from collaboration between Kalgoorlie prospectors and Pioneer geologists.

By the end of 2011 four RAB holes – three at the JWT Prospect and one at the Moonbaker Prospect – had recorded intersections of very anomalous gold and as such, these prospects have become the first priority targets for this year’s work.

Work undertaken during the March 2012 quarter included:

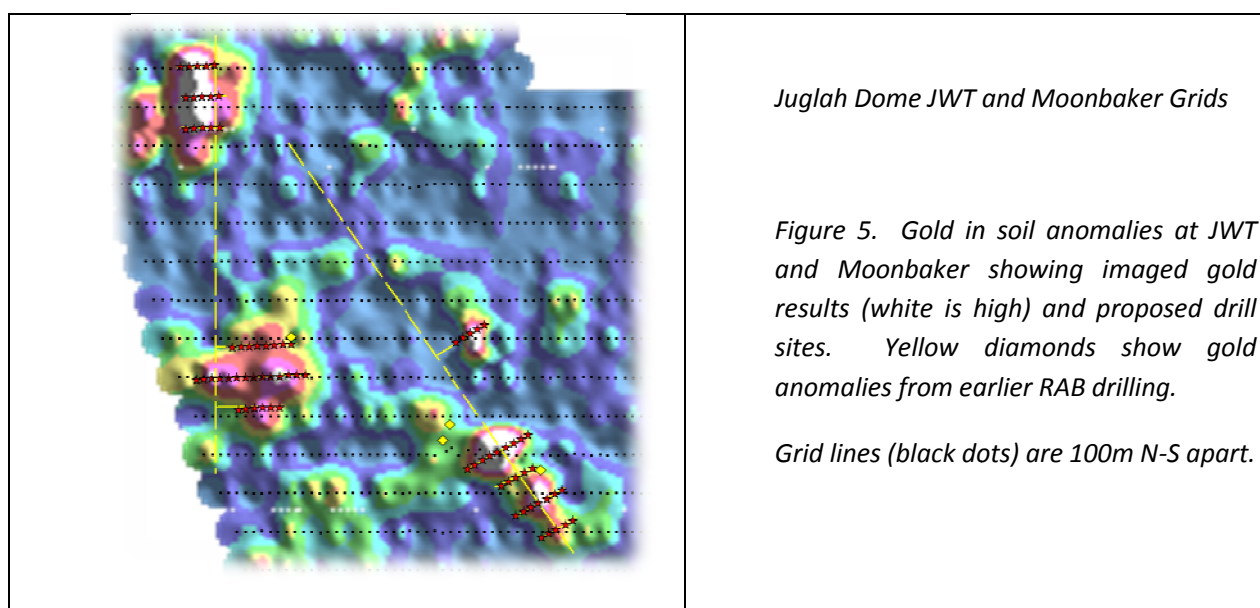
- Soil geochemistry with 4,353 samples (including duplicates and standards) taken. In addition, all soil sites were assayed using a hand held XRF analyser

Results from the JWT area are considered the most significant to date. Pioneer’s consultant geochemist concluded that the soil geochemistry assays have returned three robust, zoned, gold-and-pathfinder-element anomalies which should be drilled.

OUTLOOK

RAB drilling programs to test the three gold anomalies referred to and shown in Figure 5 will commence when POW approvals are received.

It is expected that drill results will be received during June 2012.



GOLDEN RIDGE NICKEL SULPHIDE JV PROJECT

Pioneer 56%, Australian Mines Limited 44%. Nickel Sulphides

Pioneer’s consulting geologist and geophysicist have collaborated in a detailed review of work programs completed by Pioneer during the 2009-2011 periods, including the most recent electromagnetic (EM) surveys undertaken during 2011.

The review tied together existing soil geochemistry, drilling and EM data in the context of the specific geological setting required for the formation of nickel sulphide mineralisation.

The review has highlighted areas of high prospectivity for further work. These include:

- The Fraser Prospect, immediately west of the Blair Mine, where anomalous Ni-Cu geochemistry coincides with the mine sequence basal ultramafic contact
- The eastern Blair Mine contact which includes an EM conductor anomaly detected by Pioneer earlier. The anomaly from the 2011 EM survey is significant in the context of where it is located, i.e. coincident prospective geology and anomalous regolith geochemistry above the projection of the EM conductor. Additional SAMSON EM information may resolve the target better prior to drilling
- Anomaly 11, which has a very strong Ni-Cu anomaly in weathered rock.
- Anomaly 14, where recently located historic data had records of nickel sulphides in drilling.
- Rocket Prospect, a coincident geochemical and geological target with scant drilling.
- Blair Far East area, a very strong soil anomaly supported by shallow regolith drilling. No deep drilling and no EM surveys are evident.

OUTLOOK

EM surveys using a SAMSON receiver have commenced to cover the six targets discussed above, and one other. Updated geophysical models will be available during June 2012 when a decision regarding drilling will be made.

Joint Venture and Royalty Portfolio

A summary of Pioneer's joint venture and royalty portfolio is outlined below. In general, Pioneer has either retained a free carried interest ("FCI") until a feasibility study has been completed, or a net smelter return ("NSR") royalty.

Project	Core Commodity	JV Partner	Pioneer Equity
Acra	Ni Sulphide	Xstrata Nickel Aust. Pty Ltd	20% FCI
Balagundi	VMS, Au	Alphabrass Pty Ltd	\$2.0 million farm-out
Tassie Well	VMS, Au	Alphabrass Pty Ltd	\$1.0 million farm-out
Larkinvile	Au, Ni Sulphide	Ramelius Resources Limited	20% Ni 25% Au FCI
Wattle Dam	Ni Sulphide	Ramelius Resources Limited	20% Ni FCI
Maggie Hays Hill	Ni Sulphide	Norilsk	20% FCI
Pioneer Dome	Ni Sulphide	Panoramic	20% FCI
Mt Chester	Manganese, Iron	Mineral Resources Limited	royalty by formula
Mt Desmond	Cu, Au	Phillips River Mining Limited*	1.5% NSR royalty
Heazlewood-Whyte River (Tas)	Ni, Cu, PGE	Bass Metals Limited	2% NSR royalty
Heazlewood-Whyte River (Tas)	Tungsten, Iron, Tin	Venture Minerals Limited	2% NSR royalty

* Phillips River Mining Limited recently announced that it will sell its Ravensthorpe assets to Silver Lake Resources Limited, including the Mt Desmond tenements on which Pioneer holds a royalty interest.

Yours faithfully



Managing Director

Released by :	Further information:
Ron Cameron Mercury Consulting Telephone: (+61 2) 8256 3308	Mr David Crook Pioneer Resources Limited Telephone: (+61 8) 9322 6974

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.

Glossary:

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

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

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

“ppm” means 1 part per million by weight.

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

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

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

“Au” means gold.

“Cu” means copper.

“Ni” means nickel.

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

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

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 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(517)	(1,434)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(212)	(766)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	36	95
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Joint venture exploration funding	17	84
	Other income	2	10
Net Operating Cash Flows		(674)	(2,011)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(51)	(90)
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 – Deposit funds re: Sale of Mt Jewell Gold Project	50	50
Net investing cash flows		(1)	(40)
1.13	Total operating and investing cash flows (carried forward)	(675)	(2,051)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(675)	(2,051)
	Cash flows related to financing activities		
1.14	Proceeds from capital raisings etc.	-	2,746
1.15	Share issue costs	-	(102)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	-	-
	Net financing cash flows	-	2,644
	Net increase (decrease) in cash held	(675)	593
1.20	Cash at beginning of quarter/year to date	3,483	2,215
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,808	2,808

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	\$152
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 - \$152k

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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	750

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	45	46
5.2 Deposits at call	2,763	3,437
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,808	3,483

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	E27/435	Registered Holder	100%	0%
	P27/1819	Registered Holder	100%	0%
	P27/1820	Registered Holder	100%	0%
	P27/1821	Registered Holder	100%	0%
	P24/4528	Registered Holder	100%	0%
	P24/4529	Registered Holder	100%	0%
	P25/1945	Registered Holder	100%	0%
	P25/1946	Registered Holder	100%	0%
	P25/1947	Registered Holder	100%	0%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

NIL			
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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 (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	510,474,885	510,474,885		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			Exercise price	Expiry date
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	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
Unlisted Options	4,333,331	-	3.5 cents each	30 Nov 2014
Unlisted Options	4,333,331	-	4.5 cents each	30 Nov 2014
Unlisted Options	4,333,338	-	5 cents each	30 Nov 2014

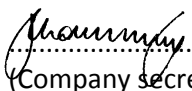
+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter				
	Unlisted Options	200,000	-	25 cents each	31 March 2012
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not*~~ ~~(delete one)~~ give a true and fair view of the matters disclosed.

Sign here:  Date: 26 April 2012
(Company secretary)

Print name: JULIE ANNE WOLSELEY

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.