

31 October 2013

Pioneer Resources Limited (ASX: PIO)

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

ACRA Gold Project – Drilling at Kalpini South

- Drilling re-commences at the Kalpini South Prospect. 7 holes for 1,027 metres completed to date;
- Results due early November 2013.

GOLDEN RIDGE Nickel Project – Blair Mine Update and Drilling

- Resource modelling for the Blair Nickel Mine nears completion. The Mineral Resource statement is expected to be completed in early November 2013;
- Diamond drilling is under way to test 2 remaining EM conductors. Pre-collars are complete and the first of the diamond drill tails is drilling ahead;
- Re-logging of critical drill holes has identified previously un-sampled nickel sulphide mineralisation on the N Surface. New sampling returned:
AMUG191: 0.31m at 4.63% Ni and AMUG192: 0.23m at 2.90% Ni.
There is an untested down-hole EM target in close proximity to AMUG191, near the Blair Mine.

FAIRWATER Nickel Project – Fixed Loop EM Generates Drill Targets

- Three fixed loop ground EM surveys were completed at the FWN001 Prospect. Data is currently being modelled with results expected in early November 2013;
- A further 4 priority nickel targets have been identified using aeromagnetic imagery and existing regional auger geochemistry. Evaluation will commence with detailed soil geochemistry.

CORPORATE – Strong Cash Position, Active Exploration Programs

The Company remains in a sound financial position. At 30 September 2013 it had cash reserves totalling \$3.80 million comprising \$1.50 million of cash and \$2.30 million of cash receivables of which \$1.2 million is due on 6th March 2014.

No capital raising initiatives were pursued during this quarter

** Abbreviations are explained in the Glossary*

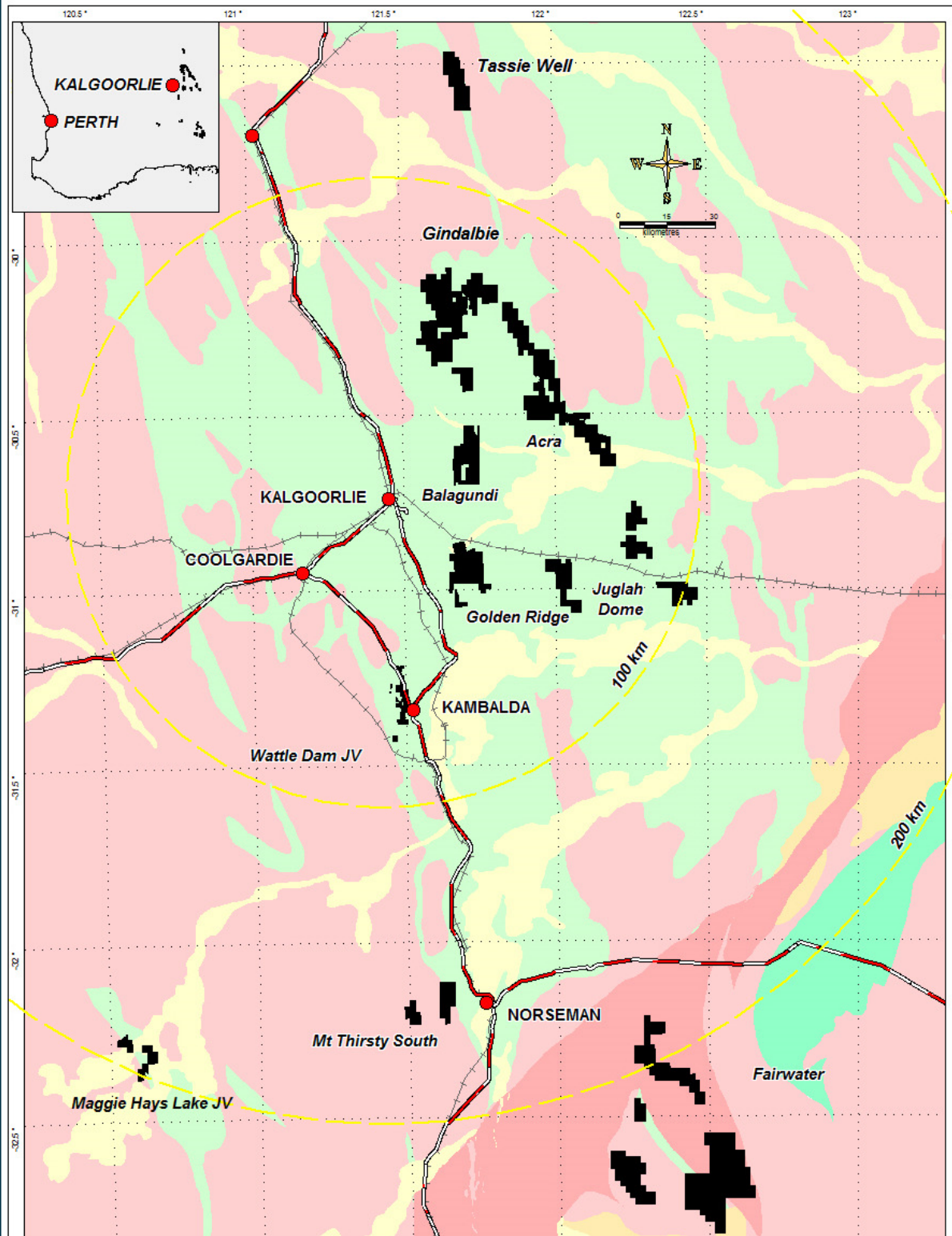


Figure 1: Pioneer Resources Tenement Location Plan

EXPLORATION REVIEW: SEPTEMBER 2013.

ACRA GOLD PROJECT

Pioneer 100%. All commodities excluding nickel

The Acra Project covers an area of 617km² and is located 60 kilometres north east of Kalgoorlie, WA.

- 7 RC drill holes were completed for 1,027metres.
- 972 soil samples from the Caraunia Prospect have been evaluated by pXRF, with no mineralisation trends indicated. Consequently the tenement (E28/2253) has been surrendered.

DRILLING TO EXPAND THE KALPINI SOUTH GOLD TARGET

A drilling program totalling 21 drill holes has commenced at the Kalpini South Prospect. The first 7 were orientation holes drilled at a range of distances along strike from two well-mineralised holes completed earlier this year.

Results from the holes drilled earlier this year, in particular KSRC004 and KSRC005, are shown on the cross section below.

Two of the new drill holes reportedly intersected significant amounts of sulphide and quartz mineralisation adjacent to a dolerite-felsic rock contact, which could act as a visual guide for the remaining drilling.

Assay results are expected to be released during the first week of November 2013.

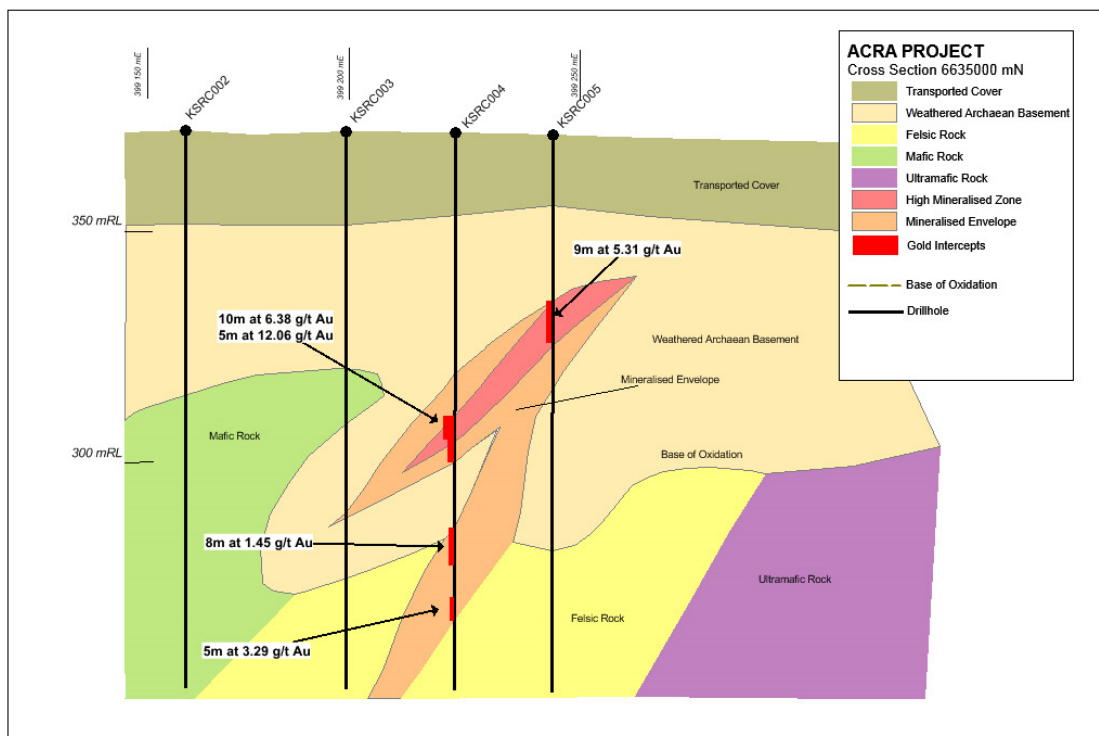


Figure 2: Acra Gold Project: Cross section of the Kalpini South Prospect. New drill holes are along strike from this section.

OUTLOOK

The remaining RC drilling is designed to follow up new results from Kalpini South and other priority targets including the Camelia South Prospect where first pass drilling, which was restricted to soft weathered rock, intersected very encouraging mineralisation. As previously reported, this included:

- CSRC002: 3m at 3.68g/t from 42m¹
- CSRC003: 3m at 4.34g/t from 45m
- CSRC012: 4m at 2.48g/t from 60m

¹. Meta data for drill results in the Glossary

GOLDEN RIDGE GOLD AND NICKEL PROJECT

Pioneer 100%. Gold and Nickel Sulphides

The Golden Ridge Project covers an area of 163km² and is located 30 kilometres south east of Kalgoorlie, WA.

THE BLAIR NICKEL MINE

Modelling of unmined mineralisation is progressing well, and a Mineral Resource statement is currently being prepared. The resource provides a very encouraging basis from which to grow, and will aid the positioning of future drill holes.

The study has highlighted targets in close proximity to the existing decline including:

- Down-plunge of the Area 57 nickel shoot: AMUG208, which records show intersected 1.1m of mineralisation grading 2.0% Ni, demonstrates that the endowed Area 57 surface continues 200m below the mined area where mining abruptly halted at a depth of 340m below surface. By comparison, the C shoot is evident (through mining and drilling) beyond a depth 1000m below surface.

Most importantly, down-hole EM surveys from AMUG208 and the adjacent hole AMUG187 detected off-hole conductors, indicating the presence of greater concentrations of conductive rock (which could include nickel sulphide mineralisation) nearby. These conductors were never tested;

- Reasonably well constrained lenses of unmined mineralisation adjacent to and below the mined stopes. These will require infill drilling;
- An area to the southeast of Area 57, which is considered very prospective for a possible fault off-set extension to the Blair Mine sequence; and
- Mineralisation in drilling along the western ultramafic contact (the N Surface) demonstrates that this is an endowed contact with a strike length exceeding 400m. This surface has seen very little drilling to date. (WMC records narrow zones of high tenor nickel sulphides, i.e. GDD083: 0.2m at 9.0% Ni, GDD079: 0.97m at 5.35% Ni). Sampling and re-logging by Pioneer of two underground drill holes– AMUG191 and AMUG192, also identified high tenor nickel sulphide mineralisation along the N surface.

Table 1 Significant Results from Sampling Existing Underground Diamond Drill Core which Targeted Mineralisation on the Southern N Surface.									
Hole ID	East	North	Dip	Azimuth	From	To	Intercept	Ni	Cu
	(m)	(m)			(m)	(m)	(m)	%	(ppm)
AMUG191	377,155	6,579,176	+2.5	202	67.25	67.56	0.31	4.63	3,082
AMUG192	377,155	6,579,176	+3.5	190	101.28	101.51	0.23	2.90	1,653

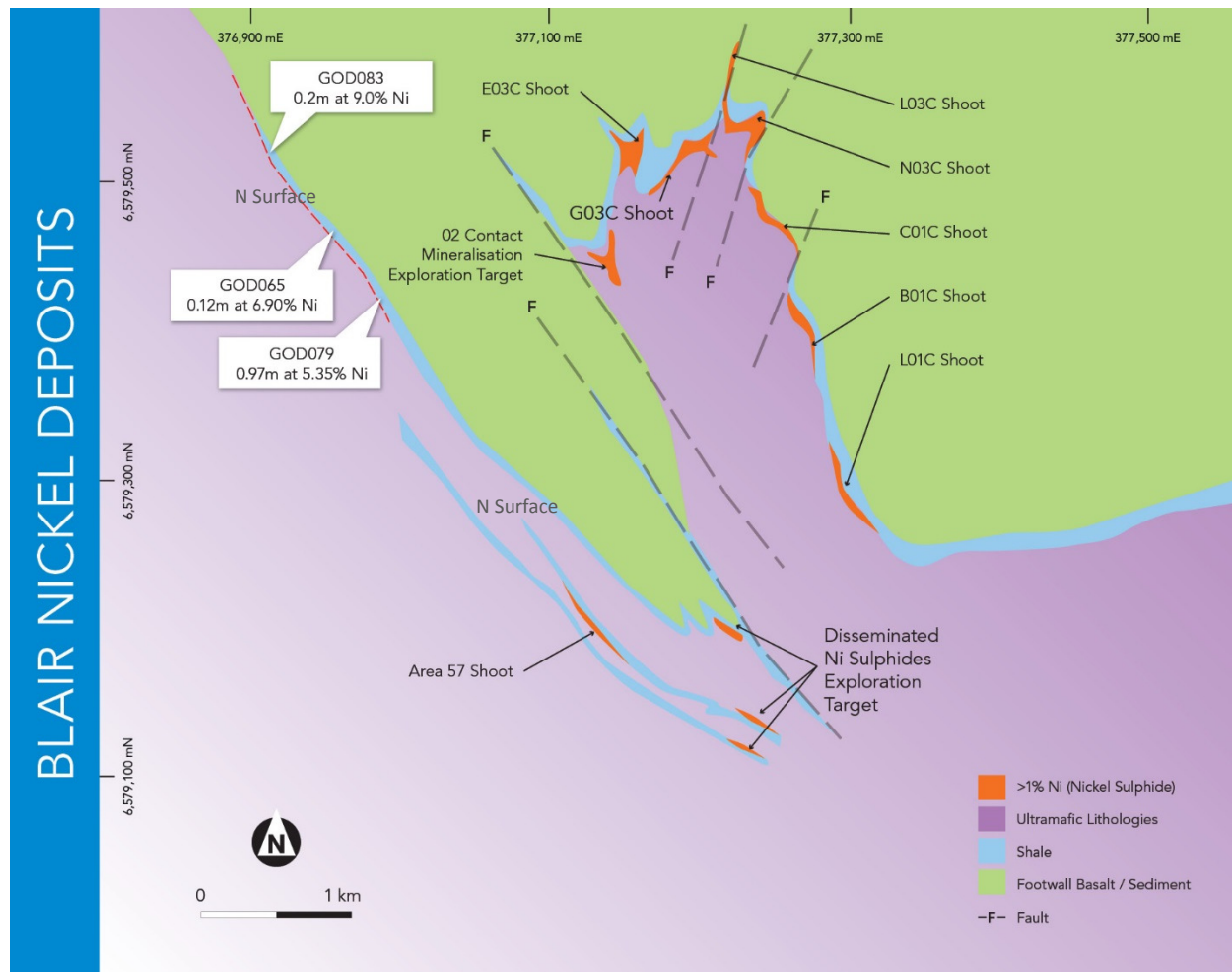


Figure 3: Golden Ridge Project: Plan showing the Blair Mine ore shoots and approximate locations of reported nickel mineralisation intersections.

DRILLING

- Two pre-collared diamond drill holes will test priority EM conductor targets at Duplex Hill and Anomaly 11 Prospects. Pre-collars are complete and diamond core tails are currently being drilled.

The drilling component of this work is expected to be completed within a fortnight; and

- Two EM conductor anomalies at Norton and Black Shadow Prospects were tested by RC drilling totalling 546m. EM anomalies were attributable to conductive sediments and therefore no further work is planned at these prospects.

Pioneer was awarded funds under the Exploration Incentive Scheme ("EIS" a royalty for regions fund) which will subsidise the drilling costs to drill these targets.

OUTLOOK

Current and priority work programs will include:

- Completion of the two diamond drill holes that are currently in progress;
- Completion and release of the Mineral Resource Statement for the Blair Mine; and
- Surface EM surveys along the N surface and SW of Area 57.

FAIRWATER NICKEL AND GOLD PROJECT

Pioneer 75%. Nickel and gold

The Fairwater JV Project is located approximately 200 kilometres south of Kalgoorlie, WA.

The Project now comprises an area of 655km² of granted and applied-for exploration licences. The Project's nickel targets are located between 100 and 130km SW of the Nova and Bollinger nickel discoveries.

GEOLOGICAL SETTING

The Fairwater project covers an area of Proterozoic-aged (1.8-1.65 Ba) Biranup Zone rocks of the Albany-Fraser Orogen where it is tectonically emplaced against the Archaean aged (>2.5 Ba) Yilgarn Craton.

The Albany-Fraser Mineral Province has become the focus of intense exploration activity since the discovery of the Proterozoic-aged Nova and Bollinger Nickel-Copper Deposits and the Archaean-aged Tropicana Gold Mine, now 8 million ounces and in its mill-commissioning phase.

FIXED LOOP EM SURVEYS AT THE FWN001 TARGET

The Company completed three fixed loop EM surveys to provide greater detail of the geometry of conductive rock-types (that might include nickel sulphides at the T1-T3 anomalies) which were originally detected in an earlier VTEM max survey. Pioneer's geophysicist is presently modelling data and expects to deliver his findings during November 2013.

ADDITIONAL NICKEL TARGETS

The Company's consulting geochemist completed a detailed review of aeromagnetic imagery and existing geochemistry for the Fairwater Project and has highlighted 4 areas as prospective for nickel. Other areas will be appraised for gold.

Following this review the Company reduced its tenement holding from over 1500km² to the present 655km², which captures all the priority targets.

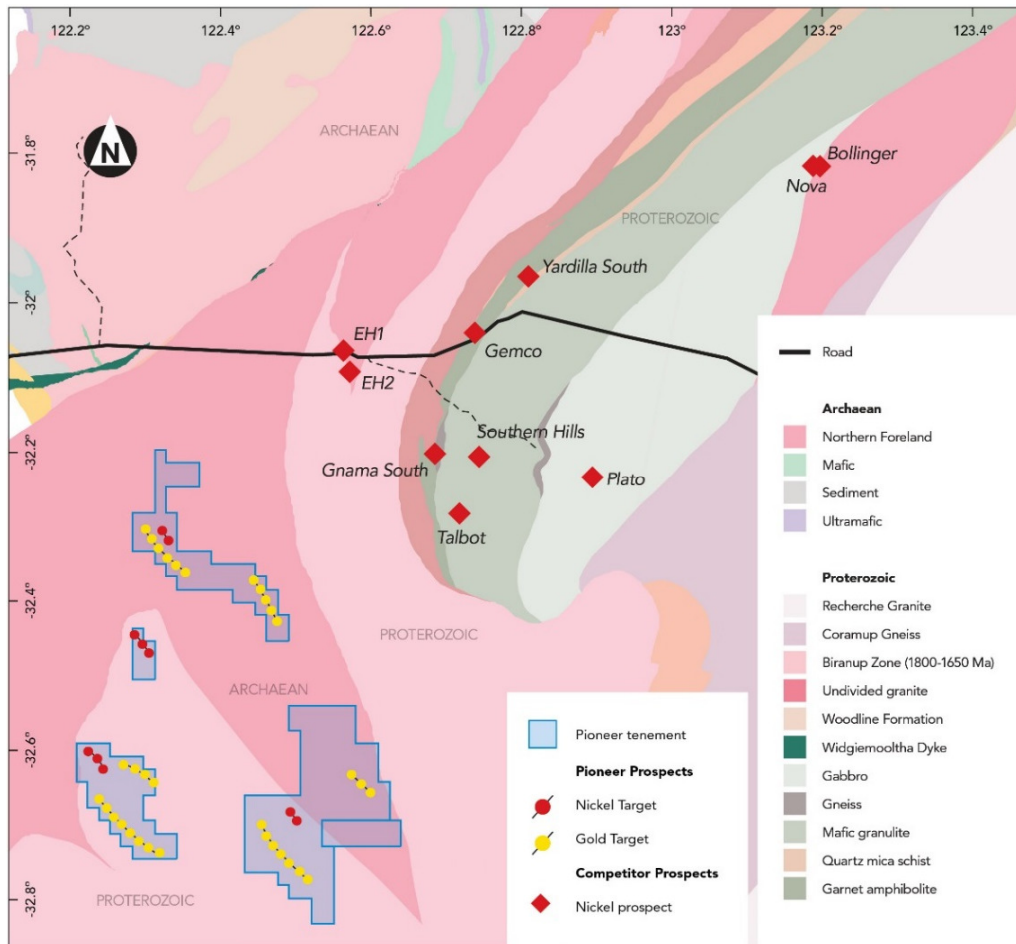


Figure 3: The Fairwater Project area and simplified pre-Mesozoic geology (Modified from Geological Survey of Western Australia (2011))

OUTLOOK

Current and priority work programs will include:

- Soil sampling of the 4 nickel targets shown in Figure 3 above;
- Surface EM surveys of subsequent nickel-copper anomalies; and
- Drilling of EM targets as warranted.

Yours faithfully

Managing Director

Mr David Crook
Pioneer Resources Limited
Telephone: (+61 8) 9322 6974

Glossary:

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

“Diamond Drilling” or “Core Drilling” 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 including Ground EM: commonly ‘moving loop’ or ‘fixed loop’; DHEM using a ‘down hole’ receiver coil; and ‘versatile time domain’ – VTEM which is an airborne system. 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 test the regolith (near surface unconsolidated and weathered rock) for plumes of trace-level gold that may have dispersed from a nearby primary source of gold. In this type of work gold values above 0.2g/t are considered anomalous and above 1g/t, very anomalous.

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

“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.

“pXRF” means portable 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’.

Competent Person

The information in this report that relates to Exploration Results is based on information supplied to and compiled by Mr David Crook. Mr Crook is a full time employee of Pioneer Resources Limited and a member of The Australasian Institute of Mining and Metallurgy (member 105893). Mr Crook has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Additional information in respect of soil geochemical data and interpretations was provided by Dr Nigel Brand, information in respect of geophysical data and interpretations was provided by Mr Ben Jones, and information in respect of geology was supplied by Mr Don Huntly. Mr Crook, Dr Brand, Mr Huntly and Mr Jones consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Caution Regarding Forward Looking Information

This document may contain forward looking statements concerning the projects owned by the Company. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

Notes for Drilling Results

- *Drill hole coordinates GDA94: Zone 51, Collar positions determined by hand held GPS.*
- *Drilling by reverse circulation face sampling hammer, then 1 metre samples split and bagged.*
- *3-5kg sample preparation by pulp mill to nominal P80/75um.*
- *Au assays by 50g Fire Assay (Intertek analysis code FA50/SAA). 1ppb lower detection limit.*
- *Ni assays by 4 acid ICP-OES analysis (Intertek analysis code 4A/OE01).*
- *Certified Reference Standards were inserted at regular intervals to provide assay quality checks. The standards reported within acceptable limits.*
- *Au intersection grades reported are of 1m samples. Length weighted average grade reported.*
- *Ni intersection grades reported are of the reported sample length.*
- *Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.*
- *Drilling information for the GOD series: Drill logs and original assay sheets by WMC held by Pioneer. There is no laboratory metadata, nor quality control information presently evident data for these holes.*
- *Drilling information for the AMUG series: Drilled by Australian Mines Limited from underground positions. Assays by Kalassay Group Laboratory, Kalgoorlie, ICP8 technique. Lower detection limit 0.01% Ni.*

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PIONEER RESOURCES LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

30 September 2013

• Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(576)	(576)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(208)	(208)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(766)	(766)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(12)	(12)
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 – cash backed	(207)	(207)
	Net investing cash flows	(219)	(219)
1.13	Total operating and investing cash flows (carried forward)	(985)	(985)

1.13	Total operating and investing cash flows (brought forward)	(985)	(985)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(985)	(985)
1.20	Cash at beginning of quarter/year to date	2,491	2,491
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,506*	1,506*

- * As announced on 6 June 2012 the Company completed the sale of its Western Mt Jewell Gold Project to Carrick Gold Limited for A\$8 million, with A\$4.5 million received during the year ended 30 June 2012, A\$1.2 million received on 6 March 2013 and the balance of A\$2.3 million comprising A\$1.2 million is due on 6 March 2014 and A\$1.1 million is due on 6 March 2015.

Payments to directors of the entity, associates of the directors, 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	\$119
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 - \$119k

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

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	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

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	11	15
5.2 Deposits at call	1,495	2,476
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	1,506	2,491

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	P27/2116 P27/2117 Registered Holder Registered Holder	100% 100%	0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E27/497 Registered Holder	0%	100%

Issued and quoted securities at end of current quarter

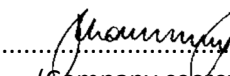
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	521,974,885	521,974,885	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	3,033,332	-	8.5 cents each	30 Nov 2013
	Unlisted Options	3,008,332	-	10 cents each	30 Nov 2013
	Unlisted Options	3,008,336	-	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
	Unlisted Options	15,000,000	-	10 cents each	15 Oct 2015
	Unlisted Options	30,000,000	-	30 cents each	15 Oct 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (<i>totals only</i>)				
7.12	Unsecured notes (<i>totals only</i>)				

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 5).
- 2 This statement does ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 28 October 2013
(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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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