

24 March 2020

CEO's LETTER TO SHAREHOLDERS

- **The impact of COVID-19 on our business activities.**
- **Update on upcoming work programs at the Pioneer Dome Lithium Project.**
- **The Company is in a strong position with ~\$5 million in cash expected at 31 March 2020 and no debt.**

Dear Shareholder,

Since taking over as Chief Executive Officer of Pioneer Resources (**Pioneer or the Company**) in late January, it has certainly been a tumultuous and unsettling period for global markets and investors due to the onset and rapid escalation of the COVID-19 pandemic.

Despite the significant ongoing challenges of this macro-environment, I would like to take this opportunity to reach out to all shareholders for the first time in my new role to update you on the work programs currently underway across our asset portfolio and to explain the impact of COVID-19 on our operations.

COVID-19 impact on business activities

To date, COVID-19 has had minimal impact on our activities, however it does have the potential to affect various parts of the business, particularly if the WA government directly or indirectly curtails field exploration. Following is a summary of the key areas that can be impacted and our current estimation of the degree that each will be affected:

1. **Personnel:** Our small team consists of three corporate personnel, four non-executive directors and five geologists and field crew. We intend to function as normal however safety and welfare of our personnel is paramount and activities will be adjusted as deemed necessary. All personnel are presently COVID-19 free. At this point we believe we can take remedial action to mitigate the effect of one or more of our personnel contracting COVID-19.
2. **Field work:** This activity will continue providing commercial air services continue to operate between Perth and Kalgoorlie and are safe from COVID-19 (e.g. airports), field emergency communications are enabled and our primary service providers such as laboratories and drilling contractors continue to function. At present, this appears to be the case.
3. **Desktop work:** All technical and corporate personnel are now working remotely (e.g. from home or in the field) and so are dependent on reliable internet and telephone communications. No material disruptions to these services have been reported.

4. **Sale of lower grade pollucite:** The lower grade material has been collected from the minesite and A\$1.05 million was banked on 18 March, being an estimated 80% of the sale value. The balance payment is dependent on the shipment samples being processed by the Company's laboratory and the samples being delivered to China for assaying by the offtaker. The balance payment is expected to occur by June.

Strategic Focus and Projects Update

Pioneer's immediate focus is on the rapidly expanding battery metals sector, which is underpinned by the increasing global transition to cleaner energy sources. We are targeting the discovery and development of lithium, nickel and gold - all key ingredients within the battery metals and electronics sectors and, of course, with gold also having a special place as a store of wealth. We will also remain responsive to opportunities in other commodities which may arise from changes in markets and technology.

Pioneer Dome LCT Project

The highly prospective 100%-owned Pioneer Dome Project is our first priority. It is located in the Eastern Goldfields region of Western Australia and, while it is being explored primarily for lithium and related LCT minerals, it also has potential for nickel sulphides and gold. Potential also remains for the discovery of more pollucite mineralisation, which was profitably mined from the Sinclair Caesium mine in the last 18 months.

Pioneer Dome sits in the 'lithium corridor' that already hosts several highly endowed hard rock lithium (spodumene) deposits, including the Mt Marion Mine, the Bald Hill Mine and the Buldania spodumene deposit.

The Project lies immediately south of the Kambalda nickel district, regarded as one of the world's great nickel provinces. The high-grade Cassini deposit, on which Mincor Resources NL is currently completing a DFS, is located less than 15km to the north along trend from the Pioneer Dome Project's northern tenement boundary.

On the Project's southern boundary, Pantoro Limited is breathing new life into the historic Norseman gold district which has produced over 5.5Moz of gold since its discovery in 1894.

Cade Deposit/Dome North LCT Deposit

Since Pioneer first identified the presence of lithium (in spodumene) bearing pegmatites at Pioneer Dome in mid-2019, the Company moved quickly to confirm this potential by delivering a maiden Inferred Resource estimate for the Cade Deposit in November 2019 of 8.2 million tonnes grading 1.23% lithium oxide (Li₂O). Beyond the Cade Deposit, we have delineated a further Exploration Target¹ for the Dome North area of between 17 and 27 million tonnes at a grade between 1.0 and 1.4% Li₂O.

Pioneer has since completed a successful second round of drilling within the Dome North area, designed to extend the existing Cade Resource, test several new targets and provide diamond drill core for metallurgical testing.

¹ The potential quantity and grade of the Exploration Target is conceptual in nature. There is insufficient exploration information generated to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.

Results from this drill program were extremely encouraging, delivering broad, high-grade mineralised intercepts at Cade (including 22.2m grading 1.72% Li₂O), as well as two new discoveries at the Davy and Cade South prospects. Metallurgical test work has commenced, with initial results expected to be announced in June.

While it's still early days, our exploration team is very excited by the emerging potential at Pioneer Dome. We are currently conducting mapping and sampling to build on previous work which will help us develop a deeper understanding of the broader exploration potential of the Project, including the potential for it to host a single, large standalone lithium deposit and/or a series of satellite deposits capable of feeding a future central production hub. An update on this work should be available during the June Quarter and will give us a clear direction on the next steps.

Golden Ridge Nickel Project

We are also continuing to explore our 100% owned Blair – Golden Ridge Nickel Project, located in the Kambalda region of WA, where a down-hole electromagnetic survey (DHEM) programme is underway at the Leo's Dam prospect to identify potential accumulations of sulphide mineralisation. The DHEM programme is covering around 500 metres of strike length along a prospective contact and is centred on previous drilling at Leo's Dam, which included an encouraging intersection of 22m grading 1.02% nickel (sulphides) and 475ppm copper. A report from the contractor engaged to complete the programme is expected by end-March.

Leo's Dam is located approximately 2km north-north-east of the Company 100% owned historical Blair Nickel Mine, which closed in 2008 during a time of low nickel prices having produced 1.26 million tonnes of nickel ore at a grade of 2.62% nickel.

Gold Joint Ventures

In addition to these ongoing exploration initiatives, Pioneer also holds free-carried minority interests in three highly prospective gold projects, all located in Tier-1 locations with active joint venture partners:

- Acra JV Project near Kalgoorlie W.A. in which Northern Star Resources limited has earned a 75% Project Interest and continues to fully fund exploration programmes until a decision to mine.
- Kangan Project in the West Pilbara W.A: A farmin & JV agreement with Novo Resources Corp and Sumitomo Corporation will fully fund gold exploration programmes until a decision to mine is made, with Pioneer retaining a 30% free-carried position up until that decision to mine.
- Balagundi Project: A farmin & JV agreement with where Black Cat Syndicate Limited may earn a 75% interest by fully funding exploration at the Project located at Bulong, near Kalgoorlie, W.A.

Cash flow

Over the past 15 months, the Company has generated positive cash-flows through the production and sale of pollucite from our Sinclair Caesium Mine in Western Australia. Sale of the low-grade pollucite has now occurred with A\$1 million (80% of the estimated sale value) banked in March, underpinning a strong cash position of ~\$5 million expected at 31 March 2020. The sale balance of ~A\$0.2 million should be settled by June 2020. The Sinclair Caesium Mine has now generated a \$10 million operating surplus (sales less royalties and mining costs) and it has enabled your company to build a strong relationship with its offtaker, Sinomine Specialty Fluids, and its parent company, Sinomine Resource Group Co Ltd.

This small-scale production campaign has delivered some important benefits for Pioneer, providing valuable cash-flow to help fund our exploration activities and demonstrating the Company's ability to develop and operate a successful, profitable mining operation. Needless to say, exploration potential remains for new pollucite discoveries at the Pioneer Dome with ongoing LCT-focused exploration routinely including caesium analyses.

Looking Ahead

A busy exploration program is scheduled for the year ahead and Pioneer is well funded with a strong balance sheet and no corporate debt.

Our high-quality assets, a clear strategic focus and a strengthened capital base give Pioneer a unique opportunity to weather the current crisis and be positioned for long-term growth and success.

On behalf of the Company, I would like to take this opportunity to thank you for your continued support. I hope that you and your families are safe and well and wish you well for the year ahead.



Tim Spencer
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Pioneer Resources Limited

This ASX release has been approved by the Board of Directors

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About Pioneer Resources Limited

Having successfully completed its first mining operation at the Sinclair Caesium Mine, and now well-funded through the sale of pollucite, Pioneer returns to being an active explorer focused on key global demand-driven commodities, looking for its next opportunity to create shareholder wealth through exploration.

The Company operates a portfolio of strategically located lithium, caesium, potassium (“alkali metals”), nickel, cobalt and gold projects in mining regions in Western Australia, plus a high-quality lithium asset in Canada.

Lithium: In addition to the Pioneer Dome LCT Project, the Company holds a 51% Project interest in the Mavis Lake Lithium Project, Canada where Company drilling has intersected spodumene.

Nickel: The Company owns the Golden Ridge Project which includes the suspended Blair Nickel Sulphide Mine, located between Kalgoorlie and Kambalda, WA. Near-mine target generation is continuing, with the Company announcing a new disseminated nickel sulphide drilling discovery at the Leo’s Dam Prospect in 2018, highlighting the prospectivity of the greater project area.

Cobalt: Also found as a wide-spread hydromorphic layer throughout the eastern Golden Ridge Project, cobalt is another commodity with demand expanding in response to its requirement in the manufacture of cobalt-based batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses for cobalt include in the manufacture of super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.

Gold: Pioneer’s key gold projects are free-carried with well credentialed JV partners:

- Acra JV Project near Kalgoorlie W.A.: Northern Star Resources limited has earned a 75% Project Interest and continues to fully fund exploration programmes until a decision to mine.
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Caution Regarding Forward Looking Information

This document may contain forward looking statements containing 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, variations to sales agreements, 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 would be based on the Company's beliefs, opinions and estimates 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.

Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.