

## DRILLING UNDERWAY AT THE MAVIS LAKE LITHIUM PROJECT TESTING KNOWN HIGH GRADE SPODUMENE PEGMATITE TARGETS

Perth, Western Australia: 02 December, 2016, Pioneer Resources Limited (the "Company" or "Pioneer") (ASX: PIO), in conjunction with its strategic partner International Lithium Corp. ("ILC") (TSX Venture: ILC.V), has commenced its first programme of up to 1,500 metres of diamond core drilling at the Mavis Lake Lithium Project east of Dryden, Ontario, Canada.

### Recent Key Highlights:

- Pioneer and ILC acknowledge the participation of First Nations Parties in a comprehensive series of negotiations which have concluded in a mutually satisfactory understanding for land access. These negotiations have also paved the way for drilling to proceed at the nearby Raleigh Lithium Project early next year;
- A budget of C\$1,000,000 was earlier approved for the Mavis Lake and Raleigh Lithium Projects for the current 2016/2017 financial year. This budget includes a provision for up to 3,000m of diamond drilling split between the two Projects. **A programme of up to 1,500m of diamond core drilling planned for the Mavis Lake Project commenced today;**
- Drill targets include Pegmatite 18, with high grade spodumene in outcrop, which also exhibits tightly stacked pegmatite lenses situated in a favourable structural regime - providing potential for larger pegmatite emplacements;
- The apparently thick, spodumene-bearing pegmatite at Pegmatite 6 will be further delineated;
- New targets identified through processed magnetometer and litho-geochemical survey data, used to identify potentially mineralised pegmatite emplacements, are also planned for testing.

### Mavis Lake Drill Program

**Pegmatite 18** is one of three targets to be drilled in this programme. The most north-eastern of the known pegmatites, Pegmatite 18 is host to high-grade spodumene, has an outcropping strike length in excess of 200m and is virtually untested by drilling to date. Grab samples grade up to 3.14%  $\text{Li}_2\text{O}^1$  and one composite channel sample returned 1.22%  $\text{Li}_2\text{O}^2$  over 5.3m.

Pegmatite 18 is unique in that it is oriented perpendicular to the prevailing regional foliation direction, indicating that a favourable extensional stress regime may have enabled a significantly larger pegmatite body to be emplaced.

**Pegmatite 6** is the second target, and is centred on 2011 drill hole MF11-12, which intersected 16m at 1.53%  $\text{Li}_2\text{O}$  from 125m and 26.25m at 1.55%  $\text{Li}_2\text{O}$  from 152m. Follow-up drilling in 2012 included MF-12-24, which intersected the same mineralised pegmatite, returning 16.4m at 1.86%  $\text{Li}_2\text{O}$  from 161.9m. The current drill programme will employ oriented core to further define the strike and dip directions of this pegmatite and to test for potential extensions.

**Pegmatite 6.5** is a new target located east of pegmatite 6, and is a result of this year's field programmes. Litho-geochemical samples returned an area of highly anomalous lithium pegmatite pathfinder elements and the magnetometer survey revealed a coincident magnetic 'low', a characteristic feature of the known pegmatites. Follow-up ground reconnaissance located a pegmatite of indeterminate size bordered by a low swampy area.

Additional target areas have been derived from the year's field programmes that will be progressively tested in subsequent phases of exploration.

### **Mavis Lake Lithium Pegmatite Project**

The Mavis Lake Lithium Project is situated 19 kilometres east from the town of Dryden, Ontario. The Project is ideally situated in close vicinity to the Trans-Canada highway and railway major transportation arteries linking larger cities such as Thunder Bay, Ontario, to the southeast and Winnipeg, Manitoba, to the west.


The current drill programme will be wholly funded by Pioneer as part of their earn-in on the Project (See ASX release dated 15 March, 2016).

**Table 1: Highlight Drilling Intersections from the Mavis Lake Project.**

<ul style="list-style-type: none"> <li>• MF-11-08: 7m at 1.83% Li<sub>2</sub>O from 4m</li> <li>• MF-11-09: 7.8m at 1.86% Li<sub>2</sub>O from 18.85m</li> <li>• MF-11-12: 16m at 1.53% Li<sub>2</sub>O from 125m</li> <li>• MF-11-12: 26.25m at 1.55% Li<sub>2</sub>O from 152m</li> <li>• MF-11-13: 5m at 1.44% Li<sub>2</sub>O from 19m</li> <li>• MF-11-14: 3m at 2.15% Li<sub>2</sub>O from 24m</li> <li>• MF-11-15: 5.35m at 1.51% Li<sub>2</sub>O from 78.4m</li> </ul>	<ul style="list-style-type: none"> <li>• MF-12-24: 16.4m at 1.86% Li<sub>2</sub>O from 161.9m</li> <li>• MF-12-25: 5.15m at 1.75% Li<sub>2</sub>O from 130.7m</li> <li>• MF-12-28: 6m at 2.53% Li<sub>2</sub>O from 6m</li> <li>• MF-12-30: 6.95m at 1.45% Li<sub>2</sub>O from 32.25m</li> <li>• MF-12-33: 3m at 2.26% Li<sub>2</sub>O from 22m</li> <li>• MF-12-34: 5m at 1.5% Li<sub>2</sub>O from 24m</li> <li>• MF-12-36: 6m at 1.48% Li<sub>2</sub>O from 31m</li> </ul>
--	--

NB All widths reported are drill core widths and have not been converted into true width. Appropriate rounding of Li<sub>2</sub>O values applied. Also see references.

Yours faithfully



Managing Director

For further information please contact:

David Crook  
 Managing Director  
 Pioneer Resources  
 T: +61 8 9322 6974  
 E: [dcrook@pioresources.com.au](mailto:dcrook@pioresources.com.au)

James Moses  
 Media and Investor Relations  
 Mandate Corporate  
 M: +61 420 991 574  
 E: [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

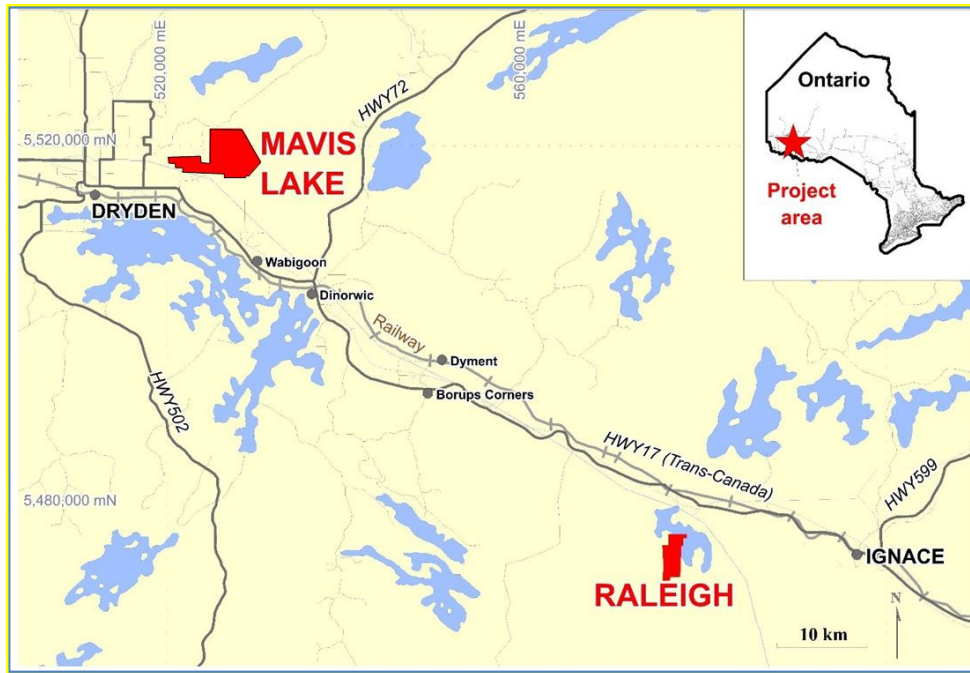
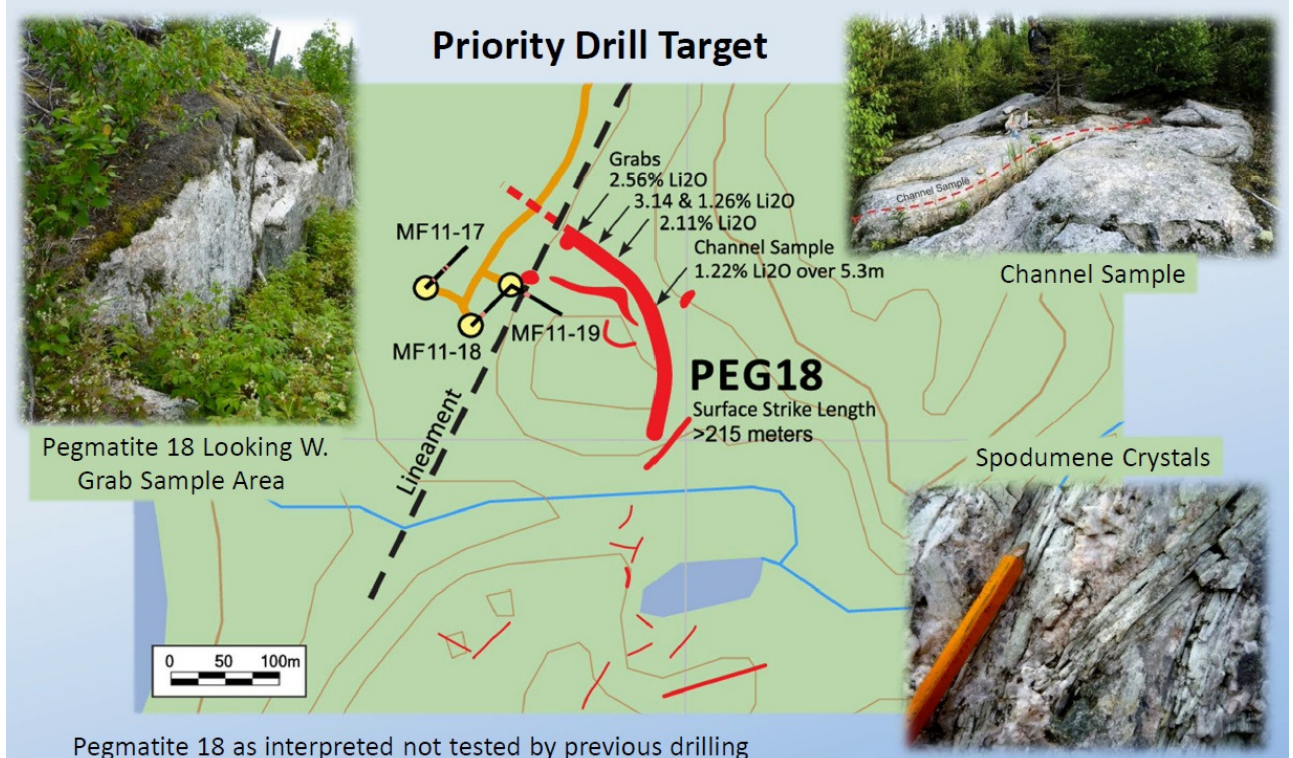


Figure 1. Location of the Mavis Lake and Raleigh Projects.

## Mavis Lake – Pegmatite 18



Pegmatite 18 as interpreted not tested by previous drilling

Figure 2: Pegmatite 18 showing mapping and site photographs. Also see references.

## **About Pioneer Resources Limited**

The Company's strategy is to actively explore for key, global demand-driven commodities in highly prospective geological domains, in areas with low geopolitical risk and with established infrastructure. The Company's portfolio includes high quality lithium assets in Canada and WA, plus strategically located gold and nickel projects in mining regions of Western Australia.

## **About International Lithium Corp.**

International Lithium Corp. is an exploration company with lithium projects in South America and Ireland in addition to the Mavis and Raleigh Projects the subject of this announcement. ILC also has strong management ownership, robust financial support and a strategic partner and keystone investor Ganfeng Lithium Co. Ltd., a leading China based lithium product manufacturer.

With the increasing demand for high tech rechargeable batteries used in vehicle propulsion technologies, energy stabilisation systems and portable electronics, lithium is paramount to tomorrow's "green-tech", sustainable economy. Pioneer and ILC believe that by judicious positioning with high quality projects at an early stage of exploration, the Companies aim to be resource explorers of choice for investors in green tech and build value for its shareholders.

## **References**

- Mavis Lake and Raleigh: Refer Company's announcements to ASX dated 15 March 2016, 20 April 2016, 13 July 2016, 26 July 2016, 12 October 2016
- Notes 1 and 2: Documented in the International Lithium Corp. 2009 Ontario Work Assessment Report and NI43-101 technical report dated February 5th, 2010).

The Company it is not aware of any new information or data that materially affects the information included in this Report

## **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. Mr Crook is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the exploration processes undertaken to qualify as a Competent Person as defined in the 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Crook consents to the inclusion of the matters presented in the announcement in the form and context in which they appear.

## **Caution Regarding Forward Looking Information**

This Announcement may contain forward looking statements concerning the projects owned or being earned in 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.

## Glossary

Elements: “Ag” means silver, “Au” gold, “B” Boron, “Be” beryllium, “Cs” caesium, “Cu” copper, “Li” Lithium, “Nb” niobium, “Ni” nickel, , “Pb” lead, “Pd” palladium, “Pt” platinum, “Rb” rubidium, “Sb” antimony, “Sn” tin, “Ta” tantalum, “Zn” zinc.

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

“Li<sub>2</sub>O” means Lithia, or Lithium Oxide, and is the elemental metal quantity converted to its oxide (in percent (%)), which is a form of reporting used for lithium in scientific literature. The conversion factor for Li to Li<sub>2</sub>O is 2.152.

“Pegmatite” is a common plutonic rock of variable texture and coarseness that is composed of interlocking crystals of widely different sizes. They are formed by fractional crystallization of an incompatible element-enriched granitic melt. Several factors control whether or not barren granite will fractionate to produce a fertile granite melt (Černý 1991; Breaks 2003):

- presence of trapped volatiles: fertile granites crystallize from a volatile-rich melt.
- composition of melt: fertile granites are derived from an aluminium-rich melt.
- source of magma: barren granites are usually derived from the partial melting of an igneous source (I-type), whereas fertile granites are derived from partial melting of a peraluminous sedimentary source (S-type).
- degree of partial melting: fertile granites require a high degree of partial melting of the source rock that produced the magma.

Initially, fractional crystallization of a granitic melt will form barren granite consisting of common rock forming minerals such as quartz, potassium feldspar, plagioclase and mica. Because incompatible rare elements, such as Be, Li, Nb, Ta, Cs, B, which do not easily fit into the crystal of these common rock-forming minerals, become increasingly concentrated in the granitic melt as common rock forming minerals continue to crystallize and separate from the melt.

“Spodumene” is a lithium aluminosilicate (pyroxene) found in certain rare-element pegmatites, with the formula LiAlSi<sub>2</sub>O<sub>6</sub>. Spodumene is the principal lithium mineral sourced from pegmatites and is the preferred source for high purity lithium products.