

9 May 2007

ASX/MEDIA ANNOUNCEMENT

RAVENSTHORPE DRILLING RESULTS & INVESTOR UPDATE

Pioneer Nickel (**ASX: PIO**) is pleased to announce preliminary results from a recently completed round of reverse circulation (RC) drilling at the historic Elverdton-Mt Desmond Copper Mine, located 10km from Ravensthorpe, WA.

The twelve-hole program was designed to test mineralisation within the mine's old workings as well as provide a platform for deeper core drilling at the northern end of the prospect area, which forms part of the Ravensthorpe Joint Venture with partner Galaxy Resources Limited (ASX:GXY) (25%).

Significant results from the programme included **6m at 2.45% Cu and 9.66g/t Au (DER01)** and **5m at 2.04% Cu and 1.04g/t Au (DER06)**. A full listing of the results is contained in Table 1 below.

Pioneer Managing Director David Crook said the latest drilling results were encouraging and in line with the Company's exploration and development strategy for the project.

"They are consistent with Pioneer's stated aim of establishing a moderate sized mining operation on the Elverdton-Mt Desmond prospect with a resource inventory of around 5 million tonnes at approximately 2% Copper," Mr Crook said.

Several of the holes, including DER01, intersected old workings where higher grade massive sulphide ore was largely extracted during the 1970s. Pillars of remnant ore intersected by earlier Pioneer drilling included 3m at 13.8%Cu and 4.3g/t Au (ELV12), which is located approximately midway between holes, DER01 and DER06.

This may be indicative of the grades of high copper-tenor mineralisation which will be the focus of the next drilling programme. Future drilling will target below 250m, which is below the level of the old workings.

The drill results (Figure 1) demonstrate the robust nature of the mineralisation to approximately 100 metres below surface. This is expected to continue at depth. Of interest also is that the intersection in DER06 appears to occupy a hanging wall position to the interpreted main lode, opening the potential of multiple lode structures within the system, which has not previously been identified.

The drilling from the northern most hole failed to return significant mineralisation, however the mineralised structure has been offset by a latter shear. Old workings north of the shear indicate the mineralisation extends further north, which will be tested in the up coming round of drilling.

June Quarter Drilling

Pioneer has now been advised by the Environmental Protection Authority that a clearing permit applied for in February 2007, which allows the company to prepare drill sites for the Mt Desmond area, has been approved.

This programme of drilling will include deeper drill testing of approximately half of the 800m strike of the workings, including specific holes beneath the workings to 400m below surface.

Drill sample composites have also been collected for preliminary metallurgical testwork. This will determine the treatment characteristics of the orebody and results of this work will be available in the coming months.

Melbourne & Sydney Investor Briefings

Pioneer Managing Director, David Crook, this week presented to shareholders and investors in Melbourne and Sydney at forums organised by the Association of Mining and Exploration Companies (AMEC) and Resource Information Unit (RIU). A copy of this presentation is available on Pioneer's website.

- ENDS -

For more information please contact:

David Crook
Pioneer Nickel
Managing Director
(08) 9322 6974

dcrook@pioneernickel.com.au

Jim Hawtin
Porter Novelli
(08) 9386 1233
0422 755 036

jhawtin@wa.porternovelli.com.au

Web: www.pioneernickel.com.au

Table 1 Reverse Circulation Drill Results Ravensthorpe JV -Desmond Workings May 2007										
Hole ID	Easting	Northing	Dip	Azimuth	Total Depth	From	To	Interval	Cu %	Au g/t
DER01	235430	6276240	-60	270	72	52 62	58 64	6# 2	2.45 1.36	9.66 0.67
DER02	235450	6276240	-60	270	114	88	95	7	STOPE	
DER03	235475	6276240	-60	270	140	107 115	108 116	1 1	STOPE 1.07	0.18
DERD04	235485	6276240	-60	270	125*	123	125	2	1.47	0.3
DER05	235425	6276320	-60	270	108	75 86 91	85 88 92	10 2 1	STOPE 2.38 2.68	1.01 1.96
DERD06	235460	6276320	-60	270	132*	105 110	106 115	1 5	1.15 2.04	0.5 1.04
DERD07	235476	6276320	-60	270	148*					
DER08	235310	6276400	-60	270	53				NSI	
DER09	235330	6276400	-60	270	54				NSI	
DER10	235350	6276400	-60	270	66				NSI	
DER11	235380	6276400	-60	270	160				NSI	
DERD12	235420	6276400	-60	270	178					

- *Precollar depth
- # includes 55-56 stope fill
- Assays were completed by KalAssay Group Perth, using a 4 acid digest and ICP-OES finish.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

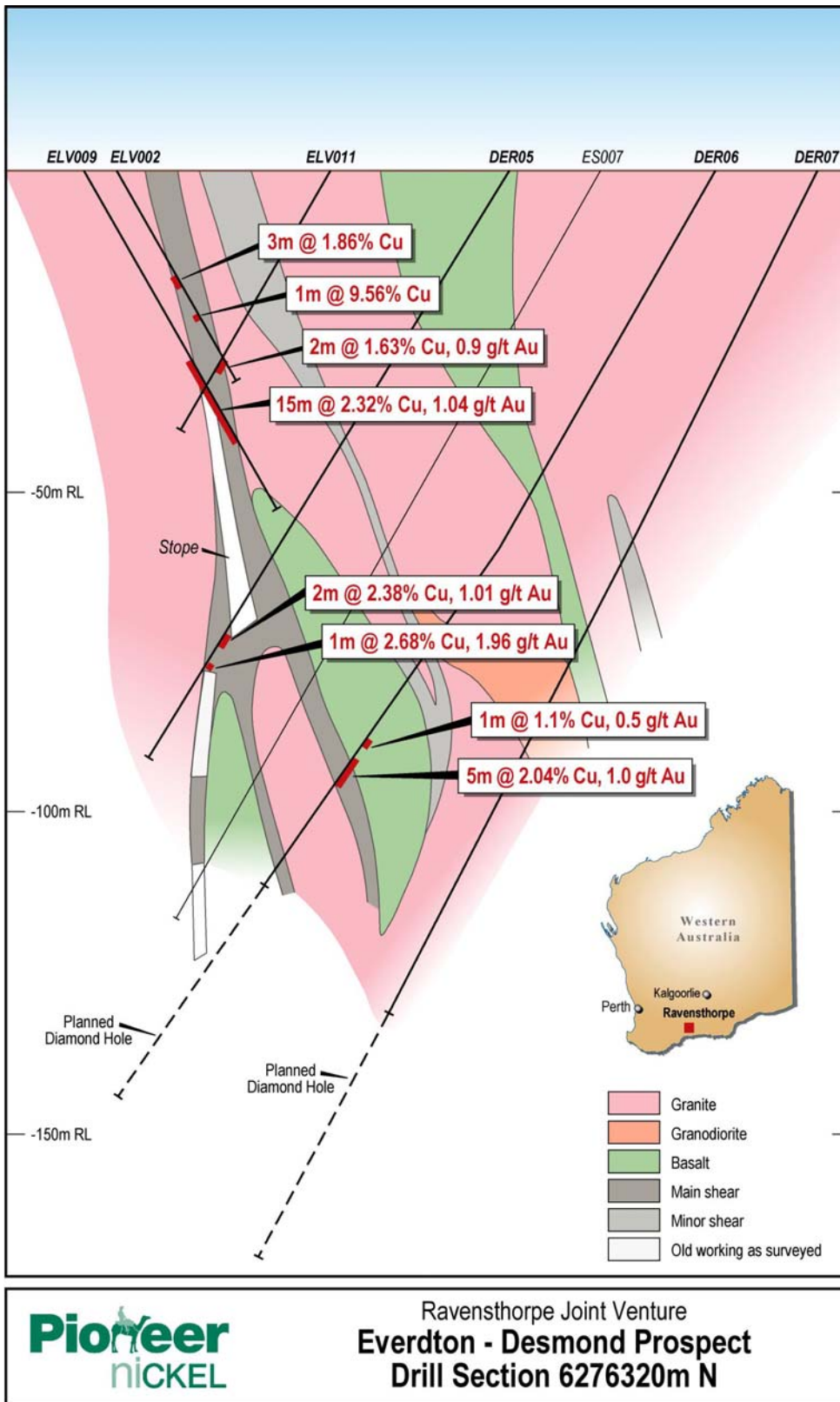


Figure 1. Elverdton – Desmond Prospect Drill Section 6276320m N

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 Nickel Limited, is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AUSIMM, with over 20 years experience in the minerals industry including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.