



20 May 2008

**ASX/MEDIA ANNOUNCEMENT**

**PIONEER PUTS THE PEDAL TO THE METAL**

**\$1.1 Million Placement and New Drilling Campaign**

**Pioneer Nickel Limited (ASX: PIO)** is pleased to announce that the Company has completed a \$1.1 million placement and will enter the second half of 2008 with funding to pursue some exciting new exploration campaigns.

Highlights of Pioneer's recent activities include:

- **\$1.1 million placement** with clients of DJ Carmichael Pty Limited, who placed 13,000,000 ordinary shares at an issue price of 8.5 cents per share. Pioneer's largest shareholder Jubilee Investments NL (now controlled by Xstrata Nickel Australia Pty Limited) participated in the placement on a pro-rata basis to maintain its strategic 17.3% interest as Pioneer's largest shareholder.
- **Drilling to commence at the Silver Swan Northwest's Lignum Dam Gold Project.** Proceeds from the placement will be applied over the next six months towards exploration programs planned for the 100% held Silver Swan and Mt Thirsty South Projects; and the 51% held Golden Ridge JV Project.
- **The release of a new Investor Fact Sheet,** which provides a summary of work programs which are scheduled for completion during the next six months.

Pioneer's Managing Director, Mr David Crook, said that the Company and its shareholders are on the crest of interesting times ahead.

"For a number of years, many metal analysts have been forecasting strong or rising metal prices due to increasing demand from Asia and Europe," said Mr Crook. "With this in mind, Pioneer implemented a multi-element approach to its large portfolio of projects."

"Now we're in a great position following successful exploration programs that have identified drill-ready targets for nickel, gold and base metals," he said.

"With the recent capital raising completed, we will continue to explore our new targets including the Lignum Dam Gold Project, where drilling will start later this week."

The drilling rig will then move on to the Golden Ridge JV Project, where four nickel sulphide targets, including the exciting Leo Dam Prospect, will be drilled. In its quarterly Operations Report Pioneer released its first drill intercept of 47m at 0.62% Ni and 327ppm Cu from Leo Dam.

Drilling operations will then move to the Mt Thirsty South cobalt-nickel laterite project. This new project tenement is scheduled for grant during June 2008; and orientation drill traverses will be completed shortly thereafter.



## SHARE PLACEMENT

The Company is pleased to advise that it has finalised a placement with clients of DJ Carmichael Pty Limited by issuing 13,000,000 ordinary shares at an issue price of 8.5 cents per share in accordance with section 708 of the Corporations Act 2001 (the "Act"). The placement raised \$1,105,000 (before issue costs).

The placement was made in accordance with the Company's existing capacity to issue securities under Listing Rule 7.1 of the ASX Listing Rules.

The Company is not in possession of any information of the kind that would be required to be disclosed under subsection 713(5) of the Act if a prospectus were to be issued in reliance on section 713 of the Act relating to the offer of these securities.

## SILVER SWAN NORTHWEST – LIGNUM DAM PROJECT (GOLD)

Pioneer recently announced a greenfield gold discovery at the Lignum Dam Project. Based on results received to date, drilling at this target is an immediate priority for the Company.

Gold mineralisation is located entirely within sheared and altered granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite, 15km to the southwest. Approvals are in place and drilling will commence during the June 2008 quarter.

Additional information about this project and Pioneer's other work programs for 2008 are discussed in the new **Investor Fact Sheet**, also lodged on the ASX today and available on [www.pioneernickel.com.au](http://www.pioneernickel.com.au).

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