



18 June 2008

## ASX/MEDIA ANNOUNCEMENT

### RAVENSTHORPE MANGANESE: HIGH GRADE MINERALISATION

**Pioneer Nickel Limited (ASX: PIO)** is pleased to provide to shareholders an update on the activities undertaken at the Company's Ravensthorpe Ferrous Metals Prospect. The prospect forms a part of the Company's Ravensthorpe Joint Venture Project (PIO 75%, Galaxy Resources Limited (ASX: GXY) 25%).

Reconnaissance work by a Company geologist has located a high-grade manganese-rich mineralised horizon. Assays are listed in Tables 1 and 2.

**From the completed program, 21 surface samples were taken from the manganese horizon over 500m of strike. Sixteen (16) of the samples assayed above 30% Mn, to a maximum value of 49% Mn.**

The manganese mineralisation remains open to both the north and south of the area sampled.

Pioneer had earlier completed XRD determinations of manganese samples from an adit (see "History – Building on the Past" below) to identify the mineral species. This work has confirmed that the dominant manganese minerals are the highly sought-after pyrolusite and cryptomelane.

Manganese is an essential component and is currently in high demand in the burgeoning China steel industry. Manganese has experienced unprecedented price increases throughout 2007 and 2008 with market fundamentals indicating continued future price strengthening, particularly due to a global shortage of high-grade manganese ore. The Joint Venture views that this prospect has the potential to provide such high-grade ore which could be shipped from Esperance, approximately 180 km to the east.

A further eighteen (18) samples returned assays above 50% Fe, thought to be a parallel haematite mantle overlying regionally extensive pyrite ( $\text{FeS}_2$ ) beds.

#### History – Building on Past Work

The Mt Chester Manganese Prospect is located within granted mining lease M74/163, approximately 9km from Ravensthorpe, Western Australia and 180km from the Port of Esperance.

Manganese mineralisation was initially discovered in about 1903 and an adit was completed prior to 1909 to intersect the deposit. This generated a small amount of material for testing as a fluxing agent for a nearby Copper smelter.

At the time, the deposit was categorised as "structural," being a deposit where "the formation of manganese has been controlled or localised by such structures as folds."

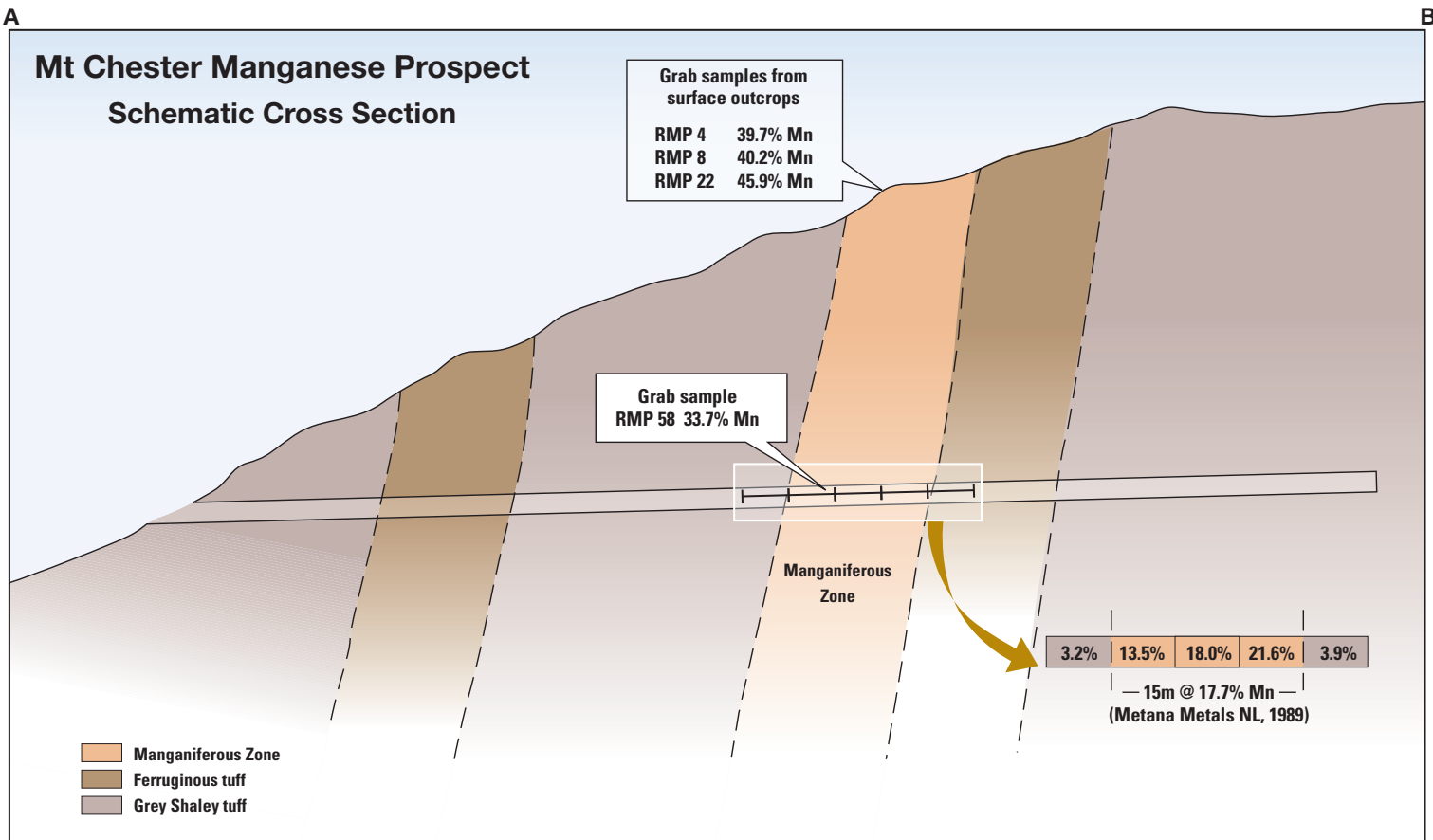
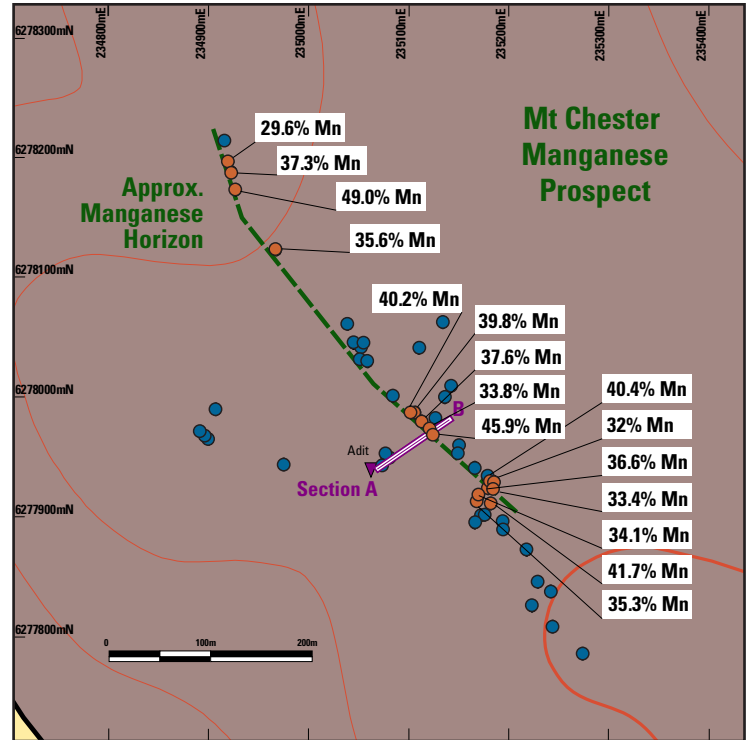
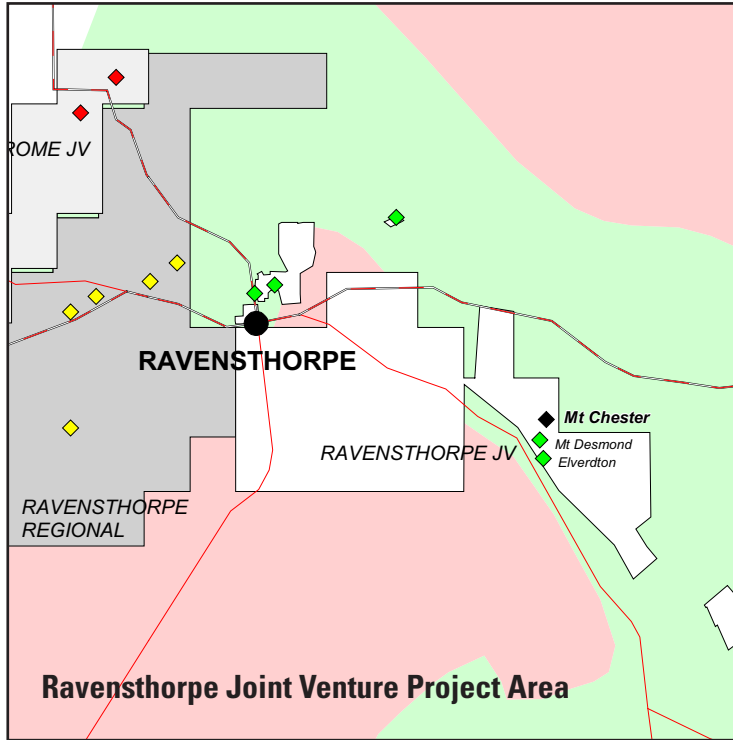
The adit was subsequently mapped and sampled during the 1980s by Metana Minerals NL, with a report recording 15m at 17.7% Mn from the sampling. No other work is recorded.

#### Planned Work – Preparation for Diamond Drilling

The first priority is to complete detailed geological mapping and rock chip sampling, required to facilitate drill hole targeting. Flora and fauna studies are also required ahead of a Clearing Permit submission, which could take up to nine months to receive.

Following receipt of a Clearing Permit and Program of Work approval, diamond drilling can commence.





- Basalt
- Ultramafic
- Siltstones & tuff
- Felsic Volcanics
- Granodiorite

- Topography contour
- Copper-gold mineralisation
- Manganiferous Horizon
- Ravensthorpe Joint Venture tenement

- Rock chip sample < 30% Mn
- Rock chip sample > 30% Mn
- Schematic Cross Section

Table 1 Ravensthorpe JV Project Mt Chester Prospect: Significant Rock Chip Results							
Sample ID	East (m)	North (m)	Mn (%)	Fe (%)	SiO <sub>2</sub> (%)	P (%)	S (%)
<b>Manganese Samples (Above approximately 30% Mn)</b>							
RMP04	235107	6277987	<b>39.80</b>	11.29	10.80	0.02	0.03
RMP08	235102	6277987	<b>40.20</b>	17.89	3.60	0.02	0.02
RMP16	234968	6278123	<b>35.60</b>	15.62	12.41	0.04	0.04
RMP17	234927	6278173	<b>49.00</b>	9.46	2.28	0.02	0.03
RMP18	234923	6278187	<b>37.30</b>	17.64	6.42	0.02	0.07
RMP19	234920	6278196	<b>29.60</b>	23.49	8.93	0.03	0.08
RMP21	235113	6277980	<b>37.60</b>	15.59	6.97	0.02	0.04
RMP22	235124	6277969	<b>45.90</b>	9.81	3.34	0.02	0.03
RMP27	235179	6277924	<b>36.60</b>	10.96	7.99	0.01	0.04
RMP28	235168	6277913	<b>35.30</b>	13.11	8.73	0.01	0.04
RMP29	235170	6277917	<b>34.10</b>	13.91	8.93	0.01	0.05
RMP30	235186	6277929	<b>32.00</b>	11.94	9.80	0.01	0.03
RMP31	235181	6277931	<b>40.40</b>	11.35	4.67	0.01	0.04
RMP32	235184	6277924	<b>33.40</b>	15.89	6.91	0.01	0.06
RMP39	235182	6277911	<b>41.70</b>	9.26	7.25	0.01	0.04
RMP58	235121	6277974	<b>33.80</b>	18.20	12.01	0.03	0.08
<b>Iron Samples (Above 50% Fe)</b>							
RMP02	235134	6278062	0.15	<b>58.43</b>	5.15	0.02	0.09
RMP05	235077	6277952	0.18	<b>51.02</b>	11.64	0.07	0.12
RMP13	235052	6278042	1.00	<b>50.57</b>	8.43	0.12	0.18
RMP14	235055	6278045	0.78	<b>51.64</b>	8.96	0.09	0.15
RMP15	235039	6278061	0.09	<b>54.96</b>	7.10	0.05	0.14
RMP24	235149	6277953	0.92	<b>56.64</b>	4.45	0.04	0.11
RMP25	235166	6277941	0.05	<b>50.52</b>	9.36	0.02	0.07
RMP26	235178	6277934	1.13	<b>54.36</b>	4.22	0.01	0.15
RMP42	235218	6277873	0.08	<b>53.57</b>	8.96	0.03	0.08
RMP43	235229	6277846	0.50	<b>53.92</b>	6.44	0.04	0.12
RMP44	235242	6277838	0.86	<b>53.84</b>	5.96	0.03	0.13
RMP48	235510	6277537	0.09	<b>55.11</b>	5.32	0.13	0.09
RMP50	235627	6277458	0.25	<b>57.52</b>	4.64	0.02	0.09
RMP51	235762	6277289	0.09	<b>56.71</b>	4.54	0.08	0.10
RMP52	235771	6277300	0.18	<b>58.10</b>	4.84	0.20	0.06
RMP54	236443	6276169	1.16	<b>54.61</b>	6.54	0.01	0.08
RMP56	235136	6278000	2.00	<b>52.77</b>	4.21	0.13	0.50
RMP57	235127	6277982	0.61	<b>50.63</b>	8.45	0.17	0.31

- Assays were completed by Ultratrace Laboratories Perth.
- Assay technique: XRF- Fusion.
- Sample locations by GPS.

-ENDS-



## About Pioneer Nickel Limited

Pioneer Nickel Limited (ASX: PIO) is a specialist exploration company searching for base metals and gold in the Kalgoorlie and Ravensthorpe Districts of Western Australia. The Company strives to add shareholder value by balancing work on advanced projects with active project generation from within the Company's 100%-owned and joint venture tenement portfolio.

The Company is continuing to operate in a period of high, albeit sometimes volatile, metal prices across many commodities. Pioneer's decision to diversify from a purely nickel explorer to a broader brief has seen the Company identify several new prospects with gold, nickel, manganese, copper-lead-zinc and cobalt as targeted commodities. Following a recent capital raising, the Company remains well funded and committed to dedicated in-ground exploration.

The market for bulk commodities such as Mt Chester Manganese is forecast to remain strong beyond the end of the decade with global manganese alloy demand forecast to continue to grow at a sustainable rate for at least the next four years.

In addition to the Mt Chester Manganese Prospect, Pioneer has drill-ready prospects at the Golden Ridge JV, Silver Swan Northwest and Mt Thirsty Projects. The Company's joint venture partners are also active at Acra and Larkinville Projects. Earlier this month, the Company completed a 5,700m RAB drilling program at its Silver Swan Northwest (Lignum Dam) Gold Prospect and looks forward to providing the market with results shortly.

A summary of the Company's planned activities is presented in a fact sheet and other reports available from the Company's web site at [www.pioneernickel.com.au](http://www.pioneernickel.com.au)

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I, James Walter Guy:

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member of *The Australasian Institute of Mining and Metallurgy*.
- I have reviewed the Report to which this Consent Statement applies.
- I am a full time employee of Pioneer Nickel Limited.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results.



Table 2 Ravensthorpe JV Project Mt Chester Prospect: Additional Rock Chip Results							
Sample ID	East (m)	North (m)	Mn (%)	Fe (%)	SiO <sub>2</sub> (%)	P (%)	S (%)
<i>Other Rock Chip Samples</i>							
RMP01	235080	6277950	3.94	39.02	18.28	0.03	0.15
RMP03	235110	6278041	0.05	43.34	23.31	0.03	0.06
RMP06	235074	6277944	0.18	45.66	19.98	0.03	0.11
RMP07	237584	6274901	0.02	41.14	24.78	0.07	0.07
RMP09	235084	6278001	1.07	25.27	33.31	0.03	0.06
RMP10	235059	6278030	0.10	45.69	17.06	0.04	0.16
RMP11	235051	6278032	0.09	43.63	22.26	0.02	0.21
RMP12	235045	6278045	0.15	45.17	14.97	0.03	0.18
RMP20	234915	6278213	0.32	32.20	45.26	0.02	0.03
RMP23	235150	6277959	0.86	37.22	17.63	0.02	0.08
RMP33	238747	6274314	0.90	43.29	15.87	0.06	0.08
RMP34	238644	6274243	0.71	21.58	64.63	0.01	0.04
RMP35	238235	6274052	0.44	10.29	49.05	0.03	0.01
RMP36	235166	6277895	6.40	37.66	20.28	0.03	0.08
RMP40	235194	6277896	7.05	36.83	23.07	0.02	0.07
RMP41	235194	6277891	0.33	44.62	14.48	0.04	0.12
RMP45	238297	6274241	0.31	5.51	71.09	0.03	0.06
RMP46	238294	6274239	0.92	13.72	71.13	0.07	0.07
RMP47	238292	6274226	0.09	8.09	63.31	0.07	0.18
RMP49	235579	6277414	0.02	47.20	14.82	0.07	0.11
RMP53	236378	6276265	0.05	34.77	41.91	0.03	0.06
RMP55	235142	6278009	0.67	42.18	23.06	0.14	0.38
RMP59	234975	6277944	0.08	31.36	42.28	0.08	0.13
RMP60	234900	6277965	0.07	33.74	45.21	0.05	0.05
RMP61	234896	6277968	0.09	31.24	47.79	0.03	0.10
RMP62	234892	6277971	0.06	40.49	30.57	0.04	0.10
RMP63	234907	6277990	2.00	48.05	18.06	0.03	0.07
RMP64	238504	6274778	0.08	36.16	31.16	0.04	0.09

