



4 July 2008

## ASX/MEDIA ANNOUNCEMENT

### SIGNIFICANT GOLD MINERALISATION INTERSECTED AT THE LIGNUM DAM GOLD PROJECT

**Pioneer Nickel Limited (ASX: PIO)** today announced that significant RAB drilling results have been returned from its 100% owned **Lignum Dam (Silver Swan Northwest) Gold Project**.

Results included:

- **SSB0412 29m at 2.02 g/t Au including 4m at 6.62g/t Au**
- **SSB0413 8m at 2.52 g/t Au**
- **SSB0400 4m at 3.34 g/t Au**
- **SSB0399 4m at 1.62 g/t Au**
- **SSB0415 4m at 1.29 g/t Au**

In previous announcements Pioneer provided initial details of its greenfields gold discovery at the Lignum Dam Project 70 km NE of Kalgoorlie. The Company is now pleased to provide an update following the receipt of assay results from 95 of a 114 hole, 5,762m RAB drilling program, which in-filled and extended previously identified soil and RAB gold anomalies. Results from the final 19 holes remain outstanding.

Gold mineralisation is located entirely within sheared granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite 15km to the south-southwest. The Project is approximately 21km NE from the Paddington Gold Mill and 35km NNW of the Kanowna Belle Gold Mill.

The program is the third pass of shallow RAB drilling, which has only partially tested an 8 kilometre long gold-in-soil anomaly. Drill holes are now completed on a 100x40m pattern over the most advanced anomalies or 400x80m when testing new areas. These are shown on the accompanying figure 1.

Pioneer Managing Director Mr David Crook said that the third pass of RAB drilling has been very successful in confirming continuity between mineralised intercepts. Previous programs had identified widespread gold anomalism at the bedrock interface but drilling was too coarse to be expected to hit anything with potentially economic significance.

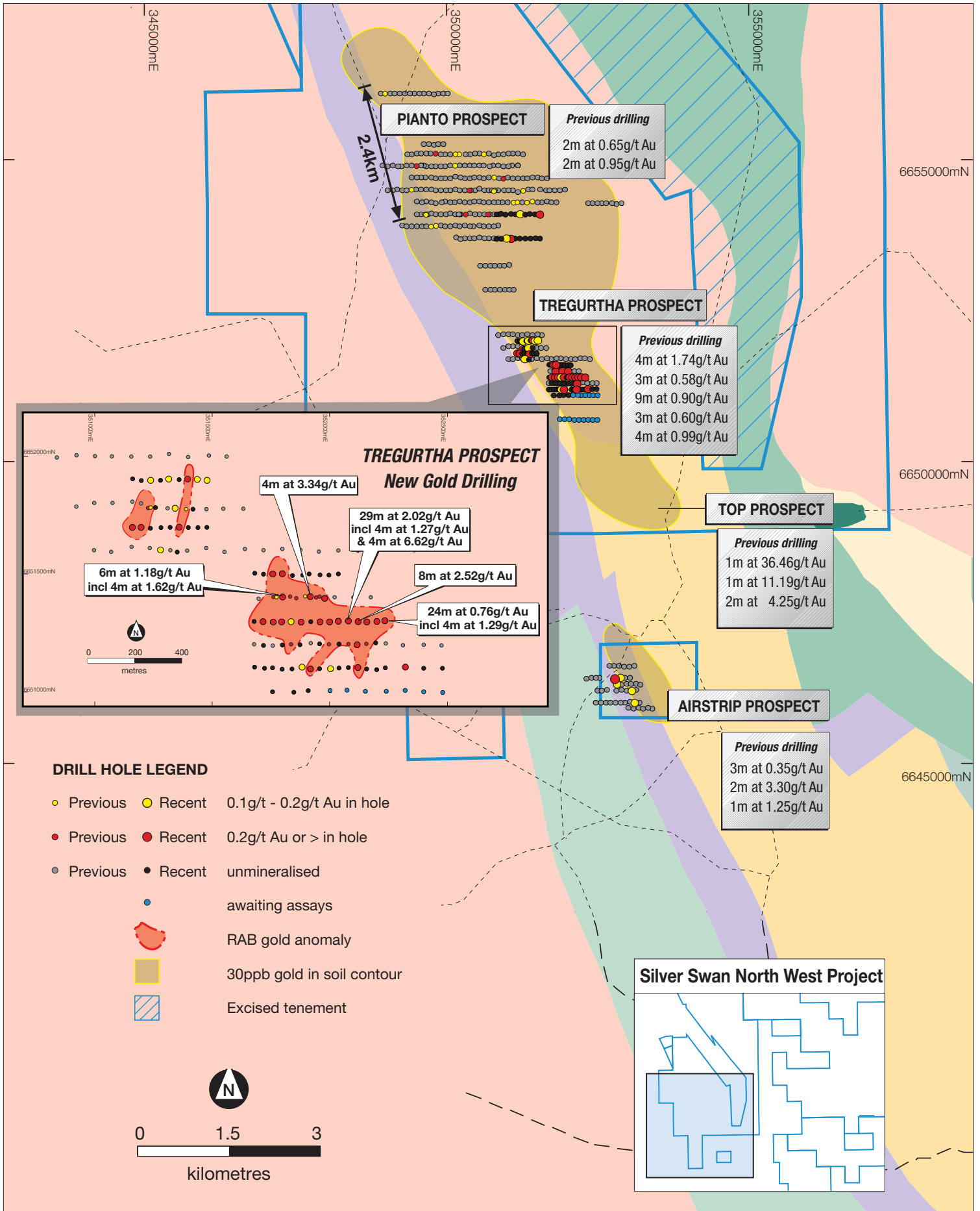
“Mineralised drill holes are now forming into coherent targets and importantly, we have the first evidence of gold grades in the order of that required for open pit mining.” He said

Planning for the next phase of work has commenced, with further programs of target-identification RAB and first pass confirmation RC Drilling being designed.

“While still early days, we now have sufficient information to plan RC drilling at the Tregurtha<sup>1</sup> Prospect, which is the next step in determining whether a gold resource exists. We have also encountered mineralisation at the Pianto<sup>1</sup>, Airstrip and Top Prospects so evidence is mounting of a widespread gold system - there’s a lot more work to do! ” Said Mr Crook.

<sup>1</sup> The Project has now resolved into a number of prospects, which will be named after early pioneers of the Scotia-Kanowna District.





**Table 1.**  
**Silver Swan North West Project -Anomalous RAB Drill Assay Summary (Gold >0.2g/t)**  
**May - June 2008 Drill Program**

Hole ID	Northing (m)	Easting (m)	Azimuth	Dip	Total Depth	From (m)	To (m)	Interval (m)	Gold (g/t)
SSB0372	6,651,904	351,396	270	-60	29	28	29	1	0.21
SSB0378	6,651,699	351,161	270	-60	70	64	68	4	0.27
SSB0379	6,651,699	351,198	270	-60	64	50	54	4	0.19
SSB0383	6,651,700	351,360	270	-60	58	57	58	1	0.44
SSB0391	6,651,501	351,758	270	-60	42	40	42	2	0.60
SSB0392	6,651,502	351,799	270	-60	46	45	46	1	0.51
<b>SSB0399</b>	<b>6,651,403</b>	<b>351,800</b>	<b>270</b>	<b>-60</b>	<b>42</b>	<b>36</b>	<b>42</b>	<b>6</b>	<b>1.18</b>
					<b>inc</b>	<b>36</b>	<b>34</b>	<b>4</b>	<b>1.62</b>
<b>SSB0400</b>	<b>6,651,405</b>	<b>351,918</b>	<b>270</b>	<b>-60</b>	<b>43</b>	<b>12</b>	<b>16</b>	<b>4</b>	<b>3.34</b>
						36	43	7	0.75
					<b>inc</b>	<b>40</b>	<b>42</b>	<b>2</b>	<b>2.11</b>
SSB0401	6,651,397	351,979	270	-60	61	44	48	4	0.22
SSB0403	6,651,298	351,717	270	-60	52	50	52	2	0.22
SSB0404	6,651,298	351,760	270	-60	42	38	42	4	0.47
SSB0405	6,651,297	351,196	270	-60	42	39	42	3	0.54
SSB0407	6,651,296	351,879	270	-60	37	32	37	5	0.43
SSB0409	6,651,297	351,959	270	-60	48	45	47	2	0.32
SSB0410	6,651,297	352,000	270	-60	59	42	46	4	0.40
SSB0411	6,651,300	352,037	270	-60	60	36	40	4	0.31
						48	52	4	0.81
<b>SSB0412</b>	<b>6,651,301</b>	<b>352,080</b>	<b>270</b>	<b>-60</b>	<b>65</b>	<b>36</b>	<b>65</b>	<b>29</b>	<b>2.02</b>
					<b>inc</b>	<b>52</b>	<b>56</b>	<b>4</b>	<b>1.27</b>
					<b>inc</b>	<b>56</b>	<b>60</b>	<b>4</b>	<b>6.62</b>
<b>SSB0413</b>	<b>6,651,298</b>	<b>352,121</b>	<b>270</b>	<b>-60</b>	<b>75</b>	<b>36</b>	<b>44</b>	<b>8</b>	<b>2.52</b>
						44	48	4	0.33
						64	68	4	0.36
SSB0414	6,651,297	352,158	270	-60	72	44	48	4	0.34
<b>SSB0415</b>	<b>6,651,299</b>	<b>352,201</b>	<b>270</b>	<b>-60</b>	<b>59</b>	<b>34</b>	<b>58</b>	<b>24</b>	<b>0.76</b>
					<b>inc</b>	<b>46</b>	<b>40</b>	<b>4</b>	<b>1.29</b>
SSB0416	6,651,302	352,235	270	-60	51	40	44	4	0.36
SSB0422	6,651,200	352,117	270	-60	64	52	56	4	0.30
SSB0430	6,651,097	351,919	270	-60	50	31	34	4	0.20
SSB0435	6,651,103	352,120	270	-60	54	53	54	1	0.21
SSB0439	6,651,105	352,2322	270	-60	69	65	69	4	0.38
SSB0470	6,653,994	351,517	270	-60	25	7	11	5	0.22
						19	21	2	0.23
						24	25	1	0.20
SSB0474	6,653,596	351,039	270	-60	72	71	72	1	0.44

- o Drill hole collar positions determined by hand held GPS receiver MGDA94-51 datum
- o Analytical results by Ultratrace Laboratories Pty Ltd FA002 technique 1ppb lower detection limit
- o Intersection grade based on composite and some single metre samples
- o Length weighted average grade reported
- o Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

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## 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.

Pioneer has drill-ready prospects at the Golden Ridge JV (nickel), Silver Swan Northwest (nickel and gold) and Mt Thirsty (nickel-cobalt laterite) Projects. The Company's joint venture partners are also active at Acra (Xstrata Nickel Australasia) and Wattle Dam (Ramelius Resources Limited) Nickel Projects.

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)

## Discovery Timeline

- Dec 2003 Pioneer floats with Silver Swan Northwest nickel rights only
- May 2004 Acquires gold rights for Silver Swan Northwest
- May 2007 Tenement reversion completed under new provisions of mining act
- Data review and comprehensive interpretation identifies low-order, but anomalous soil geochemistry, results in the Lignum Dam Gold Project. Limited previous drilling at Top and Airstrip Prospects had intersected significant gold. No other gold drilling evident in Lignum Dam Project area.
  - demagnetised shear zones in granite: (Federal-Golden Cities model)
  - dilational jog in granite-greenstone contact: (Tarmoola model)
- Aug 2007 First RAB drilling on a 400x80m. 12 intercepts >0.2g/t Au, max 4m at 1.0g/t
- Nov 2007 Second pass (infill and extensional). Identifies 3 prospects
- April 2008 Third pass of RAB drilling. Tregurtha Prospect confirmed. Max 4m at 6.6g/t

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.



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