

27 April 2007

ASX/MEDIA RELEASE

PIONEER ANNOUNCES PLACEMENT TO RAISE \$2 MILLION

Pioneer Nickel Limited (ASX: PIO) ("Pioneer" or the "Company") is pleased to announce the completion of a capital raising to raise up to \$1.98 million to advance exploration programmes, in particular at its Ravensthorpe and Golden Ridge Projects.

The capital raising comprises a placement of up to 11,012,845 ordinary shares at an issue price of 18 cents each to institutional and private clients of State One Stockbroking Ltd, and to the Company's largest shareholder Jubilee Mines NL (ASX: JBM). Jubilee Mines NL has participated in this placement to continue to maintain its 17.4% interest in the Company.

Pioneer Managing Director David Crook said the capital raising will fund on-going exploration programmes heavily weighted by drilling.

"We expect our next Clearing Application Approval for the Ravensthorpe JV (with Galaxy Resources Limited (ASX: GXY)) from the DoIR shortly, which will mean that we can start a programme of deep diamond holes testing for plunge extensions to high grade copper-gold ore at Mt Desmond, in the order of 400m below surface. These workings were mined to 200-300m during the 1970s, which is comparatively shallow by today's standards."

"Other nickel and copper-gold targets have been identified within the Ravensthorpe District following recent airborne geophysical surveys, which will also be advanced."

"Target generation at the Golden Ridge JV (with Australian Mines Limited (ASX: AUZ)) has also met with success. A priority deep conductor at the Blair South Prospect has been recognised following 3D modelling, which will be diamond drilled during the June 2007 quarter and RAB drilling has highlighted a 3.8km ultramafic contact with anomalous nickel and copper values which will be surveyed with SQUID fixed loop EM ahead of drilling."

"The funds raised will ensure that momentum is aggressively maintained on these projects". Mr Crook said.

- ends -

For more detailed information please contact:

David Crook Managing Director T: +61 8 9322 6974	Jim Hawtin Porter Novelli T: +61 8 9386 1233
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Details of Placement

The gross amount raised through the private placement will be up to \$1.98 million (before issue costs).

Under the placement, Pioneer will issue up to 11,012,845 ordinary shares at an issue price of 18 cents each to institutional and private clients of State One Stockbroking Ltd, and to Jubilee Mines NL. The placees are clients/sub-underwriters of State One Stockbroking Ltd who are sophisticated and professional investors in accordance with section 708 of the Corporations Act 2001 ("the Act"). An Appendix 3B in relation to the placement is attached.

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.

Exploration Priorities

The funds raised from the placement will be dedicated towards exploration programmes designed predominantly for the Ravensthorpe copper-gold project and Golden Ridge nickel project; with allocations made for other project development.

Ravensthorpe Cu-Au JV

The Ravensthorpe Project is a farm-in joint venture where Pioneer may earn up to an 85% interest from Galaxy Resources Limited. Pioneer recently notified Galaxy that it had met its expenditure commitment to earn a 75% interest in the Ravensthorpe JV and tenements.

Pioneer has demonstrated that high grade shoots of massive copper mineralisation are often enveloped by disseminated copper sulphides. In addition, there is good potential for the discovery of strike/plunge extensions and parallel lodes around the old mines and drilling programmes will test for these.

Recent airborne geophysical surveys have generated new structural and geological targets, particularly for nickel sulphide mineralisation, which will also be further appraised.

Golden Ridge JV

The Golden Ridge Project is a farm-in joint venture with Australian Mines Limited (ASX: AUZ) where Pioneer may earn up to an 80% interest.

Five instances of nickel sulphide mineralisation (including the Blair Mine which is excised from the JV) have been identified by previous explorers, demonstrating the significant nickel mineralisation potential of the project. The known deposits occur in areas of outcropping geology; however more than three-quarters of the project area is estimated to be covered with alluvial material.

The most advanced joint venture prospect is at Blair South, where disseminated mineralisation grading over 1% Ni has been intersected in drill holes over widths of 10m. Recently completed 3D modelling has resolved a deep conductor within a mineralised ultramafic channel, which is a priority target.

In addition, RAB drilling has successfully mapped a basal ultramafic contact surface, anomalous in nickel and copper, for 3.8 kilometres. The next phase will see modern SQUID fixed loop EM surveys conducted over this geological structure, to generate drill targets.

Yours faithfully

PIONEER NICKEL LIMITED



DJ Crook
Managing Director

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

*New issue announcement,
application for quotation of additional securities
and agreement*

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

PIONEER NICKEL LIMITED

ABN

44 103 423 981

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 11,012,845 ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares will rank pari passu with the existing ordinary shares on issue. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>18 cents per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds from the issue totalling \$1,982,312 (before issue costs) to be applied to fund drilling campaigns at the Ravensthorpe JV and advance exploration at the Golden Ridge JV.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>2 May 2007</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="779 1302 1055 1344">Number</th> <th data-bbox="1055 1302 1334 1344">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="779 1344 1055 1541">89,098,479</td> <td data-bbox="1055 1344 1334 1541">Ordinary shares ("PIO")</td> </tr> </tbody> </table>	Number	+Class	89,098,479	Ordinary shares ("PIO")
Number	+Class				
89,098,479	Ordinary shares ("PIO")				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	
	6,050,000 options	Exercisable at 25 cents each by 31/12/07
	3,750,000 options	Exercisable at 25 cents each by 28/11/09
		Exercisable at 30 cents each by 1/4/09
	500,000 options	Exercisable at 30 cents each by 31/12/08
	250,000 options	Exercisable at 30 cents each by 24/11/07
	2,500,000 options	Exercisable at 25 cents each by 31/08/11
	1,000,000 options	Exercisable at 20 cents each by 8/9/10
	2,400,000 options	Exercisable at 22 cents each by 8/9/11
	2,400,000 options	Exercisable at 25 cents each by 31/03/12
200,000 options		

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable

+ See chapter 19 for defined terms.

applicable)

30 How do +security holders sell their entitlements *in full* through a broker?

Not applicable

31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

Not applicable

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

Not applicable

33 +Despatch date

Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

+ See chapter 19 for defined terms.

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.


- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____ Date: **26 April 2007**
Company Secretary
Print name: **JULIE ANNE WOLSELEY**

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+ See chapter 19 for defined terms.