



16 October 2007

ASX/MEDIA ANNOUNCEMENT

Pioneer Receives Positive Assay Results from Golden Ridge JV & Reaches Equity Milestone

Pioneer Nickel Limited (ASX: PIO, the “Company”) today announced that it has received positive assay results from the Golden Ridge Joint Venture (JV) with Australian Mines Limited (ASX: AUZ). In addition, the Company has now earned a 51% interest in this JV by exceeding \$2.25 million in exploration expenditure.

The results announced today are from Pioneer’s recently completed 176 hole, 13,000m aircore drilling program (significant intersections are shown in Table 1), which was designed to test for anomalous zones along unexplored ultramafic contacts, with results returned including: **2m at 0.47% Ni, 438ppm Cu, 11m at 0.51% Ni, 375ppm Cu and 3m at 0.57% Ni, 1,491ppm Cu** from new zones.

Pioneer’s Managing Director, Mr David Crook, said the results from the drilling program at Golden Ridge were very exciting.

“The Company has allocated a proportion of its budget to look for new mineralisation at Golden Ridge,” said Mr Crook. “There are 5 instances of known nickel sulphides within the project, however by broadening our exploration range with RAB and aircore drilling, we plan to make a new discovery.”

“Follow-up programs will be put into place immediately to test at least 4 new targets (T1-T4 on the accompanying Figure 1), including additional geochemistry, EM surveys and deeper drilling,” he said.

The Golden Ridge JV Project is located 30km South East of Kalgoorlie and provides Pioneer with access to 100 km² of granted mining leases, prospective for nickel sulphide mineralisation, that surround but exclude the Blair Nickel Mine. The project targets the very prospective Golden Ridge Ultramafic suite that is host to nickel mineralisation at Blair South, Area 20A, Marshall, Duplex Hill and other locations.

Australian Mines is considering an election to either contribute to further exploration expenditure on a pro-rata basis or allow Pioneer to earn a further 19% to reach a 70% interest by expending an additional \$3.0 million. A decision is expected to be made within 30 days and will be announced to the market in due course.

Granted mining leases and advanced project infrastructure (including electricity and a haul road to Kambalda) are expected to facilitate mine development following a discovery at the project.

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Table 1:

Results considered anomalous include:

Hole ID	North (m)	East (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Cu (ppm)
GRA0056	6,578,745	375,822	50	53	3	0.40	157
GRA0057	6,578,764	375,895	40	42	2	0.47	438
GRA0064	6,578,377	375,997	48	59	11	0.62	88
GRA0091	6,577,869	376,420	43	55	12	0.43	254
GRA0099	6,577,402	376,220	54	60	6	0.58	147
GRA0120	6,576,910	376,680	48	52	4	0.41	162
GRA0120	6,576,910	376,680	35	38	3	0.57	1,491
GRA0125	6,576,656	376,499	70	74	4	0.41	125
GRA0127	6,576,690	376,659	56	67	11	0.51	375
GRA0142	6,576,175	375,503	32	38	6	0.41	274

Table 1- Significant Aircore Drill intersections Golden Ridge Joint Venture

- Assays were completed Genalysis Laboratory 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:



The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook (which includes information provided by other third parties specifically disclosed elsewhere in this report) 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.

