



18 February 2009

## SHARE PURCHASE PLAN

- **Share Purchase Plan to be offered March 2009**
- **Allows existing shareholders to acquire up to \$5,000 in additional equity**
- **Shares issued at a substantial discount to the current market price and at the same price as offered to professional investors under the recently completed placements**
- **Funds raised to be used to drill at the Company's Lignum Dam Gold Project.**

Pioneer Nickel Limited (**ASX: PIO**) is pleased to invite shareholders to participate in a Share Purchase Plan (SPP). This follows successful Capital Raisings and Project Equity transactions that have yielded \$490,000 so far this year.

The SPP will provide eligible shareholders the opportunity to subscribe for between \$500 and \$5,000 worth of Pioneer shares, regardless of the number of Pioneer shares they currently hold, without incurring brokerage or other transaction costs.

New shares under the SPP will be offered at **2.0 cents** per share, an approximate discount of 20% to the average closing price of the Company's shares over the past 5 days that the stock traded, up to and including 17 February 2009. Pioneer shares traded as high as 3.0 cents per share on 17 February 2009, closing at 2.8 cents per share.

The funds raised through the SPP will be used to fund drilling programs at the Company's Lignum Dam Gold Project, located 80km NE of Kalgoorlie, WA.

***The Company rates the Lignum Dam Project a high priority and is seeking funds to drill it.***

In addition to Lignum Dam, Pioneer has generated drill-ready targets at its Leo Dam (nickel sulphide), Mt Chester (manganese) and Mt Thirsty South (cobalt-nickel) Projects.

The SPP will open on 3 March 2009 and close on 27 March 2009. Shareholders who hold Pioneer shares at 5.00pm Perth time on the record date of Thursday, 26 February 2009 will be eligible to participate in the offer.

The timetable for the implementation of the Share Purchase Plan is as follows:

<b>Event</b>	<b>Day</b>	<b>Date</b>
Record Date to identify eligible shareholders	Thursday	26 February 2009
Dispatch Offer to eligible shareholders	Tuesday	3 March 2009
Share Purchase Plan Opens	Tuesday	3 March 2009
Share Purchase Plan Closes	Friday	27 March 2009*
Issue and allot shares	Wednesday	1 April 2009*
Apply to ASX for quotation of shares	Wednesday	1 April 2009*

\* These dates are indicative only. The Company may vary the dates and times of the Offer without notice.

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## About the Lignum Dam Gold Project.

The Project is approximately 21km NE from the Paddington Gold Mill and 35km NNW of the Kanowna Belle Gold Mill.

Pioneer has identified a 1,200m long geochemical corridor based on RAB drilling, encompassing the Tregurtha and Hughes Prospects. The anomaly is open to the southeast.

Drill results from Tregurtha include **29m at 2.03g/t Au, 8m at 2.52g/t Au and 4m at 3.34g/t Au**. The Company is encouraged by both the length of the RAB geochemical anomaly and the elevated grades returned from shallow, wide spaced drilling.

With gold at all-time price highs in Australian dollar terms at approximately \$1,450, and many commentators forecasting higher prices to come, Pioneer has given this project a high priority. Subject to a successful capital raising the proposed drilling program includes:

- RC resource identification drilling for the **Tregurtha Prospect**. The benchmark of success will be the intersection of grades and widths of gold mineralisation consistent with that mined by open pit methods in Western Australia;
- Infill RAB drilling at the **Hughes Prospect** and additional drilling to extend the SE geochemical corridor towards the **Top Prospect**. In RAB drilling at Lignum Dam, the benchmark for RAB anomalism is 0.25g/t; however intercepts with grades at or above 1.0g/t indicate high priority results.

The Company believes that the Lignum Dam Project has the hallmarks of a moderately sized gold system with a number of features analogous to the nearby Golden Cities Camp. With sufficient funding, Pioneer plans to advance this project with the objective of determining project feasibility within two to three years.

## About Pioneer Nickel Limited

Pioneer Nickel Limited (ASX: PIO) is a specialist Company exploring for gold and base metals 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.

Following the Company's decision to diversify from a purely nickel explorer, Pioneer has identified several new prospects with gold, nickel, manganese and cobalt as targeted commodities.

This Capital Raising is a component of an on-going strategy to maintain funding for dedicated in-ground exploration.

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)

## For more information please contact:

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I, David John Crook:

- 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.

