

ASX / MEDIA RELEASE

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RAMELIUS EXERCISES OPTION FOR WATTLE DAM & LARKINVILLE PROJECTS

Pioneer Nickel Limited (ASX: PIO) today announced that Ramelius Resources Limited (**ASX: RMS**) has exercised two options to purchase an 80% interest in Pioneer's nickel rights at the Company's Wattle Dam and Larkinville Projects.

To exercise the options, Ramelius has payed Pioneer A\$700,000. In addition, Ramelius must spend up to A\$1 million on nickel-focussed exploration at the joint venture projects within four years.

Pioneer retains a 20% interest which is free-carried to the completion of a feasibility study recommending a commercial mining operation.

Pioneer's Managing Director, Mr David Crook, said the alliance with Ramelius for the Wattle Dam District represented some distinct advantages.

"The alliance not only ensures that momentum is maintained on the projects but also that Pioneer retains a significant interest," said Mr Crook.

"Ramelius is very active in the Wattle Dam District where it has a gold mining operation and an aggressive exploration program for both nickel and gold," he said. "This is a natural partnership which is already proving successful."

In an announcement by Ramelius in early June 2007, a drill hole was reported as having intercepted **32 metres at 2.0/t Gold from 12 metres depth** at the centre of a 700 metre long anomalous zone within the Larkinville JV Project.

Following the exercise of the options:

Wattle Dam Agreement Terms

- Pioneer will assign an 80% interest in its nickel rights to Ramelius subject to Ramelius completing A\$800,000 of nickel-focussed exploration expenditure within 4 years. Ramelius already owns gold and tantalum rights for the Wattle Dam Project.

Larkinville Agreement Terms

- Pioneer will assign an 80% interest in its nickel rights to Ramelius subject to Ramelius completing A\$200,000 of nickel-focussed exploration expenditure within 4 years. Ramelius is currently earning a 75% interest in the gold and tantalum rights for the Larkinville Project from Pioneer.

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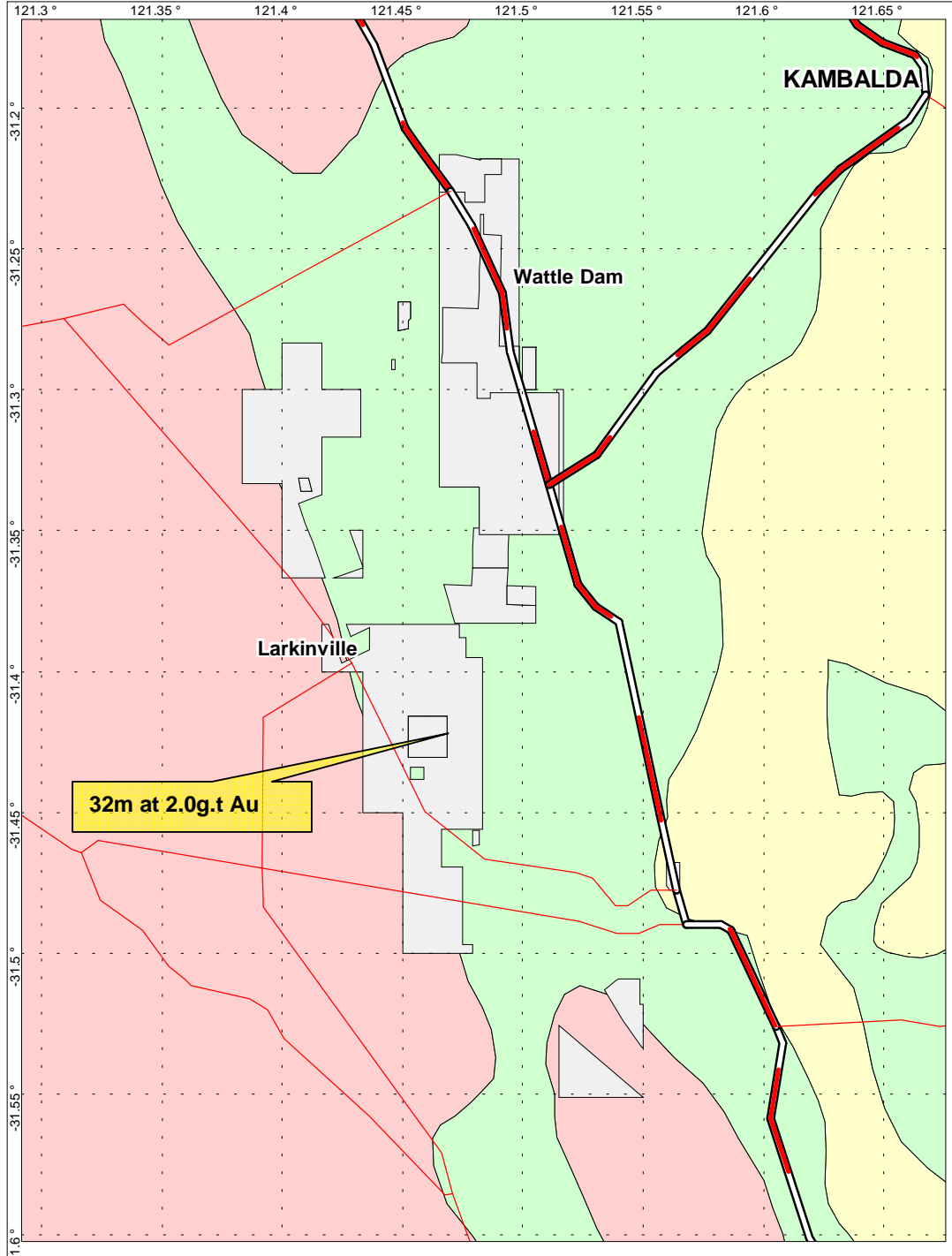


Figure 1. Ramelius Alliance Area Project Location Map