



9 November 2007

**ASX/MEDIA ANNOUNCEMENT**

**Drilling Resumes at Ravensthorpe Joint Venture Project**

**Pioneer Nickel Limited (ASX: PIO)** today announced the resumption of drilling at its Ravensthorpe Copper-Gold Project. Pioneer holds a 75% interest in the project with its Joint Venture partner, Galaxy Resources Limited (ASX: GXY), holding the remainder.

The Joint Venture is set to drill for the first time beneath the old Mt Desmond Copper Mine where Pioneer believes, in the current climate of high copper and gold prices, the best opportunity exists to develop a near term cash flow based on an underground mining operation.

The initial program is approximately 3,500m of RC and 2,000m of diamond drilling and is expected to be completed during this quarter. Clearing permits have also been received which provide for drilling to continue without delay following the receipt of encouraging results.

Results from previous drilling completed at the project during 2007 have included drill intercepts of 15m at 2.32% copper and 1.04g/t gold; and 3.0m at 13.8% copper and 4.31g/t gold. The Company also received excellent results from 3 metallurgical samples, with recoveries in excess of 92% for copper and 85% for gold indicated, yielding a 'saleable' concentrate grade of 22% copper and 10g/t gold for the tests.

Pioneer will initially target the first tier of holes to intersect mineralisation between 250m and 350m below surface, (shown schematically on the accompanying Figure 1) with success-based drilling continuing thereafter.

Pioneer's Managing Director, Mr David Crook, said results from the Joint Venture project had been very promising to date.

"The system is extremely well mineralised over its 850m length," said Mr Crook. "The copper and gold grades intersected in remnants of the old mine are very encouraging, providing confidence to commence the deeper drilling program. Initial metallurgical tests also indicate that a very simple extraction process will be required to generate a saleable product."

"With encouraging grades and a straight forward extraction flow-sheet indicated, we can focus on establishing a resource base beneath the old mine, which is reasonably shallow when compared to similar scale operations today," he said.

The project is located approximately 10km from Ravensthorpe WA, and covers the historical Mt Desmond and Elverdton Mines which produced copper and gold ore via underground workings to a depth between 180m and 230m. Other than work by Pioneer, no significant exploration has been conducted in the area since mining operations ceased in the 1970s.

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**For more information please contact:**

David Crook  
Pioneer Nickel  
Managing Director  
(08) 9322 6974

[dcrook@pioneernickel.com.au](mailto:dcrook@pioneernickel.com.au)

Katherine Knox  
Porter Novelli  
(08) 9386 1233  
0421 186 129

[kknox@wa.porternovelli.com.au](mailto:kknox@wa.porternovelli.com.au)

Web: [www.pioneernickel.com.au](http://www.pioneernickel.com.au)

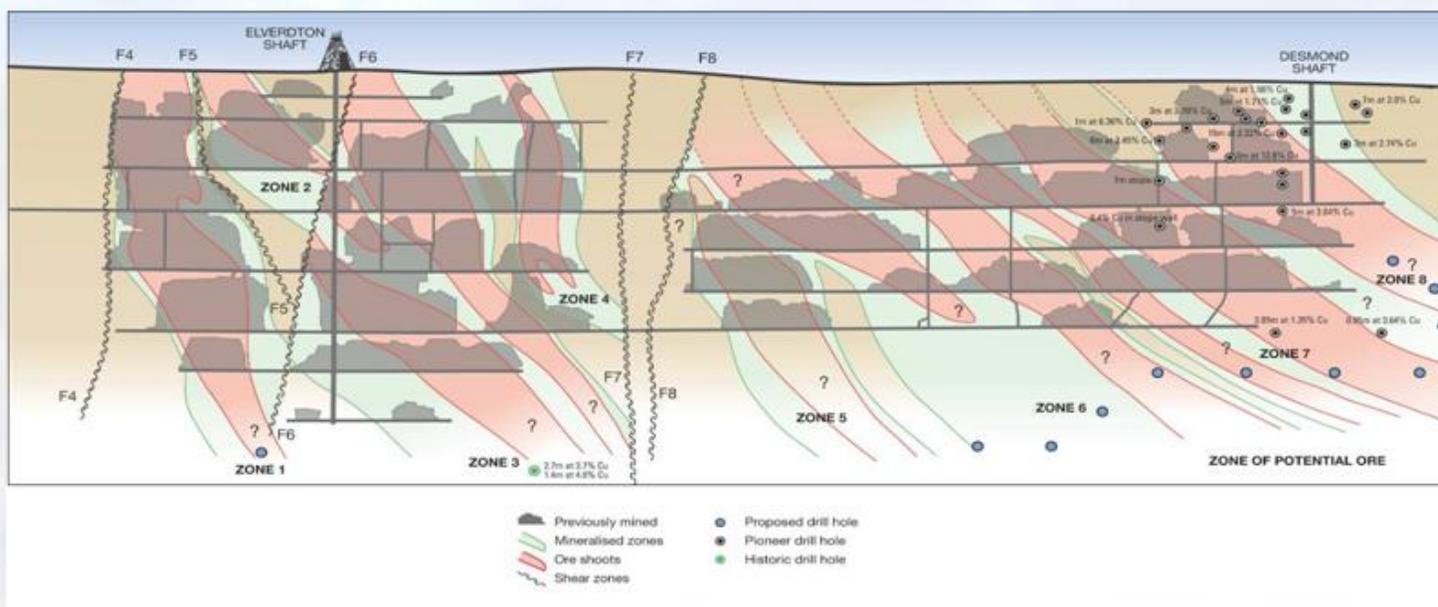


Pioneer Nickel ABN 44 103 423 981

21 Ord Street West Perth WA 6005 Phone: (08) 9322 6974 Fax: (08) 9486 9393 Email: [pioneer@pioneernickel.com.au](mailto:pioneer@pioneernickel.com.au)

# Ravensthorpe JV

## Copper-Gold



- 850m horizontal strike length
- Mined to 230m (S) 180m (N)
- Multiple lode structures
- Very few holes beneath workings

- Major infrastructure nearby
- Granted mining lease
- Excellent recovery: 92% Cu, 84% Au
- Excellent “fast-track” proposition