

23 April 2008

ASX/MEDIA ANNOUNCEMENT

MT THIRSTY SOUTH PROJECT HITS PIONEER NICKEL'S EXPLORATION PLANS

Pioneer Nickel Limited (ASX: PIO) is pleased to provide investors with initial details of its Mt Thirsty South cobalt-nickel-manganese project, located approximately 20km NNW of Norseman, Western Australia. Pioneer holds a 100% interest in the project.

The Mt Thirsty South Project comprises a single exploration licence application with an area of 114km². The tenement is expected to be granted within the next few weeks, following which drilling will commence.

Pioneer's project is the immediate southern extension of the Mt Thirsty Joint Venture Project ("MTJV") (Barra Resources Limited (ASX: BAR) and Fission Energy Limited (ASX: FIS)) where a resource of 21 million tonne of 0.62% Ni, 0.14% Co and 1.01% Mn is reported (FIS announcement 21 April 2008). In its announcement, Fission Energy states that it has agreed to pay vendors \$8.0 million for an effective 50% interest in the MTJV and anticipates completion of a feasibility study by 4Q 2008. Joint Venture drilling occurs to approximately 280m N of Pioneer's northern tenement boundary.

Pioneer has flown a low-level, detailed aeromagnetic survey of the area which shows the various facies of the Mt Thirsty ultramafic sequence; and field checking by Pioneer's geologists has been completed. A 3km long demagnetised zone, highlighted on the accompanying figure, is interpreted as the pervasively weathered extension of the olivine cumulate-textured peridotite which hosts the MTJV's deposit.

Commenting on the announcement, Pioneer Nickel's Managing Director, Mr David Crook said the preliminary evaluation of Mt Thirsty South was very encouraging.

"Because strike continuity is usually a feature of lateritic deposits, the horizon within our tenement is considered very prospective for cobalt-nickel-manganese mineralisation," said Mr Crook.

"Results from previous explorers, who completed traverses of soil sampling on lines 600-800m apart, are clearly anomalous with elevated cobalt, nickel and manganese values over the targeted unit," he said.

"We're excited about getting involved with Mt Thirsty South and this further proves the importance of maintaining a pipeline of exploration projects."

First pass appraisal drilling and sampling results will be reported during the June 2008 quarter. These drill holes will be the first to test the prospective horizon within Pioneer's tenement.

Pioneer has been monitoring the development of treatment options for "lateritic" ore styles and is attracted by this project. Test work reported by Fission Energy provides encouragement for the application of moderate temperature, ambient pressure leaching using a weak acid solution to recover acceptable proportions of key payable metals. This could mean that an eventual treatment plant would have a much lower construction cost when compared with PAL alternatives.

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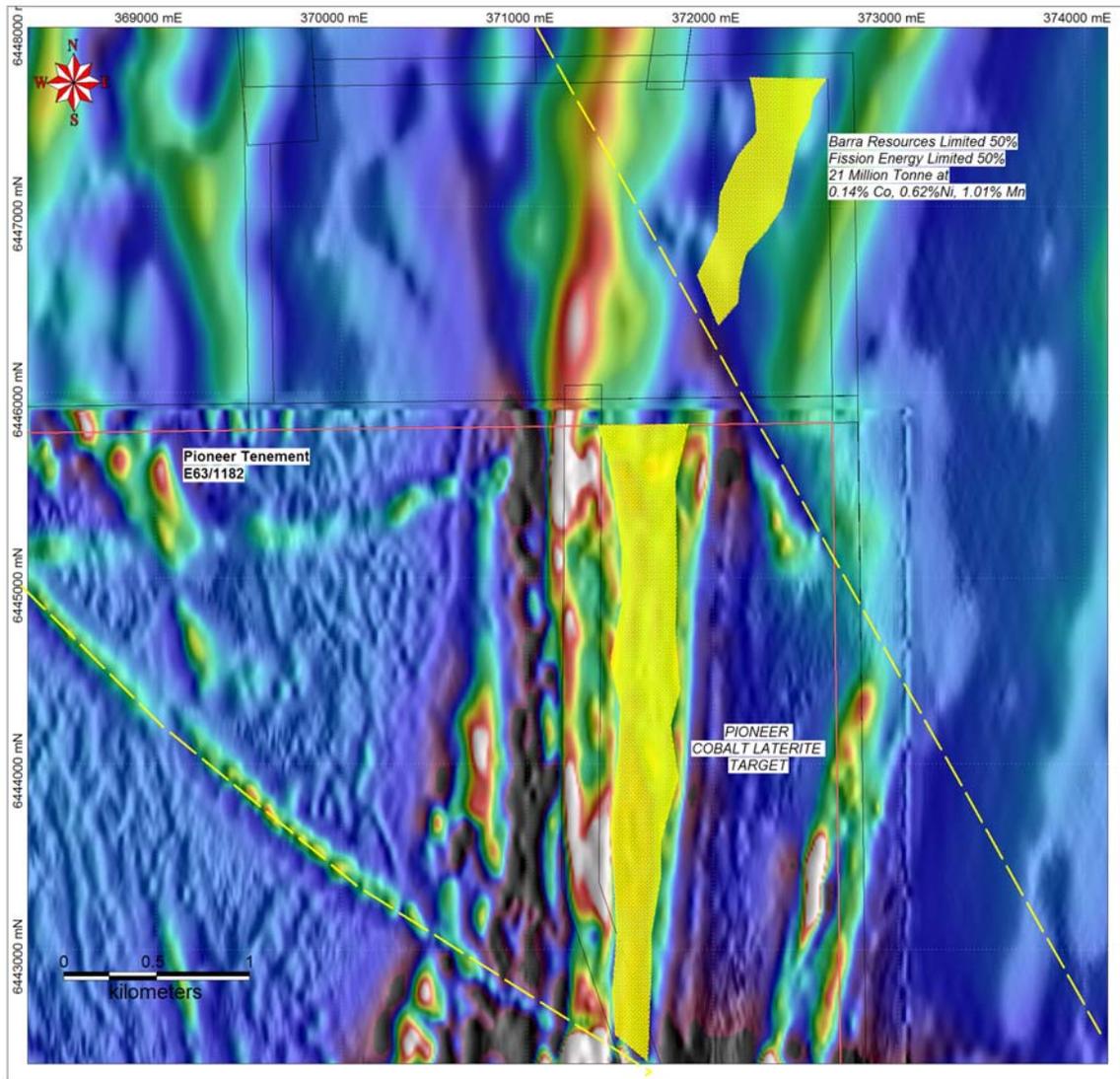


Figure 1 – Mt Thirsty South Project: Detailed aeromagnetic imagery showing cobalt-in-soil geochemistry, which highlights weathered peridotite considered prospective for Co-Ni-Mn ore.

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