



Mediaportal Report

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▶ **Nickel play develops golden edge**
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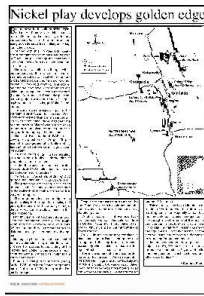
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Nickel play develops golden edge

Better known for its suite of nickel exploration JVs, Pioneer Nickel NL securities returned to the board in early July with news the company had turned up further encouraging gold intercepts from drilling on its Lignum Dam project.

Coupled with this, Pioneer has identified a manganese-rich mineralised horizon at Ravensthorpe, meaning the company is diversifying away from nickel somewhat unintentionally.

"There was a deliberate thought within the company that there was no sense in restraining ourselves to nickel when there are good projects popping up," managing director David Crook told **Paydirt**. "The copper projects we now have were identified and picked up through acquisition but the others (Lignum Dam and the Ravensthorpe manganese project) were the result of diligent exploration in our existing portfolio of tenements."

The Lignum Dam prospect is part of the company's Silver Swan North project, 70km north-north-east of Kalgoorlie, near the Silver Swan nickel mine. Nickel had been the original target at Silver Swan North but two rounds of reconnaissance drilling earlier in the year turned up a gold anomalism.

"The first two rounds of RAB drilling were purely geochemical. We got 200 ppb against a background of virtually nothing and that told us only we were in a gold-bearing system."

The third round of drilling has resulted

in a much more detailed understanding of what this system represents.

"Rather than just a continuation of the first two rounds of RAB results, these results are a big step in tenor of grades."

The results included hits of 29m @ 2.02 g/t gold, including 4m @ 6.62 g/t, 8/t gold.

"The grades we are seeing in this round of results is the first time we have seen stuff in the ballpark of mineable grades so it is very encouraging.

"This programme is also about tightening up the drilling to 40m by 20m spacing and getting the results we have really changes things – you can straddle a mine on that type of spacing."

Lignum Dam is in a good neighbourhood. Both the Paddington (21km to the south-west) and the Kanowna Belle gold mills (35km south-south-east) are within trucking distance, leaving toll-treatment a viable option.

Geologically the mineralisation is located entirely within sheared granodiorite, an environment analogous to the setting of the Federal and Golden Cities deposits, hosted in the Scotia Granodiorite, 15km to the south-south-west.

Pioneer is now putting together both a further RAB target identification programme and a first round of RC drilling at the Tregurtha prospect.

Despite the enthusiasm surrounding Lignum Dam, Crook said it would not jump the queue when it came to the company's ex-

ploration plans.

"What it means is that we now have four projects we can dedicate our time to: Golden Ridge, Mt Thirsty, Silver Swan North (Lignum Dam) and the manganese at Ravensthorpe."

Crook said the set strategy remained in place and Lignum Dam's emergence only strengthened its long-term programmes, particularly when looking to secure a drilling contractor for its exploration.

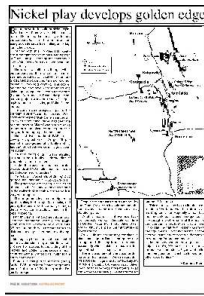
"There is a set timetable in place for drilling on all four projects. We can start drilling at Golden Ridge almost immediately, Mt Thirsty is probably 6-8 weeks away, Silver Swan North is perhaps three months away and we won't get back to Ravensthorpe for another 6-9 months.

"This means we now have a timetable and a batch of work that would be attractive to a drilling contractor. Hopefully we can have them move to each project in sequence."

Although nickel remains at the heart of the company's exploration programmes, Crook said the nature of Western Australian geology meant junior exploration companies would find it hard to restrict themselves to searching for one commodity.

"Just because your stated target is nickel sulphide rocks, WA rocks are prospective for multiple commodities. If you want to find something economic you have to be open to other opportunities."

- Dominic Piper




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