



ABN 44 103 423 981

31 January 2008

ASX RELEASE

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2007

Pioneer Nickel Limited (ASX: PIO) is pleased to provide to investors the December 2007 Quarterly Activities Report, which provides a summary of the progress made by the Company.

This Quarterly report provides details of a number of exciting early stage prospects that are the result of the Company's aggressive commitment to in-ground exploration. We draw your attention to new gold targets at Larkinville West JV and Silver Swan Northwest, copper-gold drilling beneath Mt Desmond, four new nickel targets at Golden Ridge and two nickel targets at the Acra JV Project. The Company looks forward to delivering results to the market during the course of 2008 as these targets are tested.

KEY ACHIEVEMENTS DECEMBER 2007 QUARTER

Exploration Highlights:

Ravensthorpe JV Project (10km SE of Ravensthorpe. Pioneer 75% Copper-Gold).

- The first copper-gold core delivered from beneath the Mt Desmond Mine.
Drilling totalled:
 - 12 reverse circulation ("RC") pre-collars for 1,368m;
 - Of these, 9 extended by diamond drilling generating 1,862 metres of core.
- Results, received for 2 holes only, included **12m at 1.35% Cu and 0.75g/t gold**;
- 9 RC holes for 939m were drilled at the PLP Prospect, 200m N of Mt Desmond.

Silver Swan Northwest Project (50km NE of Kalgoorlie. Pioneer 100% Gold, Nickel)

- A potential green-fields gold discovery made within 50km of Kalgoorlie WA;
- 205 RAB holes completed for 7,828m identified the new Lignite and Airstrip Prospects;
 - Geochemical results include 4m at 1.74g/t and 9m at 0.90g/t gold.
- A new nickel target identified by MLTEM at the Scotia East Prospect.

Golden Ridge JV Project (30km SE of Kalgoorlie. Pioneer 51% Nickel).

- 65 holes for 3,600m of aircore drilling completed;
- 4 new targets identified based on nickel-copper-PGE geochemistry.

Ramelius Alliance Area (70km SW of Kalgoorlie. Pioneer 20-25% Gold, Nickel)

- At the new gold discovery at Larkinville West, RC drilling returned **20m at 3.1g/t, 9m at 2.4g/t and 6m at 3.3g/t gold**;
- An additional 12 RC drill holes targeting gold completed for 1,180m;
- Wattle Dam (1A North nickel) drilling totalled 290m of RC pre-collars and 268.9m of core, intersecting 0.1m at 5.0% nickel.

Acra Joint Venture Project (70km E of Kalgoorlie. Pioneer 40% Nickel, Gold)

- 7 RC drill holes and 7 RC pre-collars drilled for 1,910m;
- Significant assays from drilling include 8m at 0.53% nickel and 4m at 2.68g/t gold;
- MLTEM anomaly identified at the Jubilee West Prospect.

Corporate:

- At 31 December 2007, the Company had cash reserves of \$1.77 million, available for sale investments with a market value of \$0.5 million (including 1.0 million shares in Galaxy Resources Limited), receivables of \$0.2 million and no debt.

1 RAVENSTHORPE DISTRICT

- *Western Copper Pty Limited (a wholly owned subsidiary of Pioneer) 75% interest in the Ravensthorpe Copper-Gold Project, Galaxy Resources Limited (“Galaxy”) 25% contributing interest. The project covers the historical Mt Desmond and Elverdton Mines as well as ground prospective for volcanogenic massive sulphide deposits.*
- *Western Copper Pty Limited also has a 100% interest in additional tenements in the Ravensthorpe District prospective for copper and gold.*
- *Pioneer has the right to earn a 75% interest in the Aerodrome Nickel Project from Galaxy through sole funding exploration expenditure totalling \$0.5 million. The project is prospective for massive nickel sulphide mineralisation.*

PROJECT STATUS

Mt Desmond–Elverdton Copper-Gold Project

Stage one diamond drilling, comprising twelve drill holes beneath the old Mt Desmond and Elverdton Copper Mines, commenced during the Quarter and will be completed in mid February 2008. The program is targeting copper-gold mineralisation approximately 100m beneath the mine workings.

To date, 9 pre-collared diamond drill holes have been completed for a total of 3,230m including 1,862m of diamond core. Drill holes all have final depths between 200 and 450m.

The copper gold mineralisation is hosted within an 850m long shear structure which has many of the characteristics of typical Archaean shear-hosted gold mine. To date, all drill holes have hit the targeted mineralised structure as evidenced by disseminated to matrix chalcopyrite and bornite mineralisation within a chlorite-biotite schist. The host structure has down-hole widths of between 6 and 30 metres. To date assay results from only two holes have been returned, which included **12m grading 1.35% Cu and 0.75g/t gold** in hole DERD 18. Holes are shown in long section on Figure 2.

In addition, a further 9 reverse circulation drill holes for 939m were completed at the PLP workings, which is interpreted to be the northern offset of the Mt Desmond mineralisation located approximately 200m to the north. Several of the holes intersected visible chalcopyrite mineralisation. Assay results from the drilling are awaited.

Table 1 Ravensthorpe JV Project Diamond Drilling: Significant Results								
Hole ID	East (m)	North (m)	Depth (m)	From (m)	To (m)	Intercept (m)	Cu (%)	Au (g/t)
DERD18	235,599	6,276,200	417.6	323	325	2	1.12	3.78
		and		327	339	12	1.35	0.75
		including		329	331	2	2.28	1.11
		including		332	338	6	1.65	1.03

- *Hole positions by GPS pickup in MGA94-51 grid coordinates.*
- *Assays were completed by Genalysis Laboratory Services Pty Ltd. Gold analysis by 50gm fire assay with a 0.01g/t detection limit, copper analysis by four acid digestion AAS finish.*
- *Intercepts are “down-hole” metres. No estimate regarding true thickness is made or implied.*

Geophysics

Orientation 3-component down hole transient electromagnetic (“DHTEM”) and down hole magnetometric resistivity (“DHMMR”) surveys were concluded for 3 holes, demonstrating that conductivity anomalies are associated with Mt Desmond mineralisation. All holes will now be surveyed to look for targets that might represent higher concentrations of copper sulphides in the vicinity the completed holes.

Mt Chester Manganese Prospect

The company completed preliminary field mapping, sampling and mineralogy studies on samples of massive manganese-bearing rocks from the Mt Chester Prospect. The mineralised unit is evident in mapping over a strike length of 300m. Assays of rock chip samples from along the outcrop have not been received. A petrographic study of samples collected from existing ore dumps from an exploration adit indicates that the dominant manganese mineral is the high value pyrolusite. A report describing the adit, from when it was sampled during the 1980s, records that face sampling returned 15 metres at 27.9% MnO₂.

Ravensthorpe Iron Ore Alliance Project

All available geological and technical data held by members of the Ravensthorpe Iron Ore Exploration Alliance were exchanged during the Quarter period. This information is currently being collated to enable a more accurate assessment of the Iron Ore potential of the area as a whole. Geological mapping in select areas and a review of available detailed aeromagnetic and VTEM data forms part of the initial assessment.

It is evident that some of the iron-rich rock chips and drill samples (from diamond drilling during the 1960s and percussion drilling during the 1990s) relate to haematitic gossans developed over massive pyrite bodies rather than over the more common precursor, Banded Iron Formation ("BIF"). As there appears to be potential for large tonnages of pyrite, the opportunity to exploit this resource for its iron and sulphide content (the components that make up pyrite) is being included in the overall assessment.

Drill target selection, utilizing the collated database and specific geological and geophysical interpretations, is currently being worked on in anticipation of a drilling program as soon as a suitable rig becomes available.

Companies that comprise the Ravensthorpe Alliance in addition to Pioneer are Traka Resources Limited, Tectonic Resources NL and Galaxy Resources Limited.

Aerodrome Joint Venture Project

During the Quarter a contract geologist commenced field mapping and ground checking VTEM and MLTEM anomalies that have were generated during 2007.

KEY OBJECTIVES MARCH 2008 QUARTER

Mt Desmond–Elverdton Copper-Gold Project

- Complete diamond drilling program. Three holes will be drilled in February 2008;
- Complete DHMMR surveys and modeling;
- Cut and sample mineralised copper-gold zones for priority assay. Results will be announced as they are received;
- Arrange samples for confirmatory metallurgical recovery tests;
- Collate drill program assays and commence 3D visualisation of mineralised lodes for drill follow-up;
- Initiate next phase drillhole planning at Elverdton (Clearing Permits are in place).

Mt Chester Manganese Prospect

- Complete Clearing Permit and Program of Work submissions for a proposed 2,000m drilling program.

Aerodrome Joint Venture

- Validation and ranking of geophysical targets prior to drill testing.

2 SILVER SWAN NORTHWEST PROJECT

- The Silver Swan North West Project is located 70km N of Kalgoorlie.
- Pioneer has a 100% interest in the project.

The project has an area of 442km², covering a sequence of ultramafic and mafic units, intruded by granites, which are considered prospective for gold and nickel sulphide mineralisation. Bi-modal volcanic units may be prospective for VMS deposits.

The project excludes the Silver Swan Northwest JV Project with BHP Billiton Limited.

PROJECT STATUS

Gold

The Company has significantly advanced a green-field gold discovery located towards the western project boundary. To date the Company has completed two passes of RAB geochemistry drilling, comprising 365 holes for 13,855m, drilled on a 200x80m or 200x40m pattern. This work has identified a series of very exciting gold targets within an overall zone of gold anomalism at least 9km long. New priority targets include the Lignite and Airstrip Prospects. Others include the Top Prospect identified from open file records and the less well defined Baseline Prospect. The layout of the Silver Swan Northwest Gold Project is shown in Figure 3.

Geochemically anomalous results from the Lignite Prospect include:

- SSB0118, anomalous over 38m including 4m at 0.99g/t;
- SSB0127, anomalous over 36m including 4m at 1.74g/t; and
- SSB0293, anomalous over 23m including 2m at 1.12g/t.

Despite its relative proximity to major gold operations at Kanowna Belle 35 km to the southwest and Paddington 25km to the southeast, the location has received little previous exploration activity for gold.

Key results from RAB geochemistry drilling at Silver Swan Northwest are listed in Table 2, below.

Table 2									
Silver Swan Northwest Project RAB Drilling: Significant Results (>0.5g/t)									
Hole ID	Easting (m)	Northing (m)	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)
SSB0022	349,479	6,654,805	40	-60	270	38	40	2	0.65
SSB0086	350,290	6,653,995	40	-60	270	38	40	2	0.95
SSB0118	351,228	6,651,781	63	-60	270	21	26	5	0.56
						42	46	4	0.99
SSB0127	351,943	6,651,401	36	-60	270	11	15	4	1.74
SSB0293	352,156	6,651,204	62	-60	270	39	43	4	0.54
						53	62	9	0.90
				INC		56	58	2	1.12
SSB0361	351,761	6,651,403	42	-60	270	37	40	3	0.60
SSB0363	351,896	6,651,406	41	-60	270	36	39	3	0.58

- Hole positions by GPS pickup in MGA94-51 grid coordinates.
- Assays were completed by Genalysis Laboratory Services Pty Ltd.
 - SSB0001-SSB0160 10g aqua regia digest, AAS finish, 1ppb detection limit.
 - Check assays and SSB0161-0365 50g fire assay 0.01g/t detection limit.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

Gold anomalism to date is located entirely within sheared granites. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite, 15km to the southwest.

Nickel

A MLTEM survey was completed over an interpreted basal contact position within the East Scotia Ultramafic Unit which crops out along the western margin of the Silver Swan Northwest Project. The survey successfully identified a discrete, moderately strong bedrock conductor. A follow-up detailed MLTEM survey was completed to refine the target ahead of drilling. Data processing is continuing.

Regional Gold and Base Metals

An auger geochemical program comprising 1,217 sample sites was completed in late January 2008 over the eastern side of the project area. The bi-modal volcanic sequence in this area is the stratigraphic equivalent that at the Company's Balagundi Project and is therefore considered prospective for gold and VMS base metal deposits.

KEY OBJECTIVES MARCH-JUNE 2008 QUARTER

Gold

- Further target definition RAB drilling (approximately 120 holes);
- RAB drilling to test between the Lignite and Top Prospects (approximately 100 holes);
- Orientation RC drilling (1,000m) traverses over the Lignite and Airstrip Prospects.

Nickel

- Complete modelling of the MLTEM conductor;
- Drilling will follow to test the conductor.

3 GOLDEN RIDGE JOINT VENTURE PROJECT

- *The Golden Ridge JV Project is located 34km SE of Kalgoorlie.*
- *Pioneer 51%. Australian Mines Limited 49% Contributing Interest.*

The Project provides Pioneer with access to 100km² of tenements that cover the very prospective Golden Ridge Ultramafic Unit, host to the Blair Nickel Mine and nickel mineralisation at Blair South, Area 20A, Marshall and Duplex Hill. The Blair Mine is excluded from the JV.

PROJECT STATUS

Reconnaissance Drilling

The Company continued reconnaissance drilling to test prospective ultramafic contacts that are obscured by sand cover. During the December 2007 Quarter 65 holes for 3,600m were completed. Assays have not been received.

Assay results from earlier reconnaissance drilling programs have returned widespread coincident nickel and copper anomalism at basal ultramafic contacts. Secondary enrichment of nickel and copper due to lateritic processes or scavenging by manganese minerals adds complexity when interpreting what is a genuine nickel sulphide anomaly. Analyses for platinum and palladium ("PGE") may help to discriminate magmatic nickel anomalism.

To date four standout nickel-copper-PGE anomalies have been identified proximal to basal contacts of the Central and Eastern Ultramafics as displayed in Figure 4.

Geophysics

DHTEM surveys were completed at Marshall and Triumph, where SQUID fixed loop EM conductors had previously been identified.

In both instances the principal SQUID FLTEM anomaly was due to conductive black shale, however both surveys also detected secondary anomalies which require testing.

KEY OBJECTIVES MARCH 2008 QUARTER

- Detailed geological analysis of all drilling;
- Reconciliation of SQUID FLTEM and DHTEM survey data with results from drilling;
- MLTEM and SQUID FLTEM surveys scheduled for T1-T4 targets;

4 RAMELIUS ALLIANCE AREA

WATTLE DAM PROJECT

- Pioneer 20% Free Carried Interest in nickel rights.

LARKINVILLE WEST - PROJECT

- Pioneer 25% Free Carried Interest in gold rights and 20% in nickel rights.
- Ramelius Resources Limited holds the balance of the equity the both projects.

PROJECT STATUS

Larkinville West

Reverse Circulation and Diamond Drilling

Results from RC drilling completed during the December 2007 Quarter have been received, which included 20 metres at 3.1g/t gold from 30 metres within LWRC0003 and 6 metres at 3.3 g/t gold from 34 metres within LWRC0012.

Significant results are listed in table 3 below.

Table 3 Larkinville West Project RC Drilling: Significant Results (above 1.0g/t and 4g*m)									
Hole ID	Easting (m)	Northing (m)	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)
LWRC0003	354,400	6,523,197	100	-60	90	30	50	20	3.1
			inc			32	36	4	8.2
LWRC0004	354,380	6,523,200	106	-60	90	55	64	9	2.4
LWRC0007	354,340	6,523,300	80	-60	90	40	44	4	1.5
			inc			42	43	1	5.8
LWRC0012	354,460	6,523,120	100	-60	90	34	40	6	3.3
			inc			35	36	1	8.1
LWRC0013	354,440	6,523,120	100	-60	90	60	64	4	2.3
			incl			61	62	1	6.8

- Samples were assayed by Genalysis Laboratory Services Pty Ltd. A 200 gram sub-sample was taken for Leachwell analysis.

Further geochemically anomalous intersections have also been returned from the northern and southern-most RC drill lines including 16 metres at 0.9g/t gold from 28 metres (LWRC0007) and 26 metres at 0.4g/t gold from 39 metres (LWRC0016) respectively. These are illustrated in Figure 5.

A further 12 RC drill holes for approximately 1,180 metres were completed during December 2007 in order to infill the intercepts listed in Table 3 to a drill spacing of 20x40m. All results from this program are pending.

1A North (Nickel) Prospect

RC and Diamond drilling was undertaken at the 1A North project to test the interpreted down dip position of an intersection by Pioneer of 0.45 metres at 2.0% nickel and associated DHTEM conductor. A total of 290 metres of RC pre-collars and 268.9 metres of NQ diamond core were drilled. A small but encouraging intersection of 0.1 metre of massive sulphides grading 5% nickel within 1ANDH0002 was intersected. DHTEM is planned to be undertaken in the upcoming Quarter.

5 ACRA JOINT VENTURE PROJECT

- The Acra Project is located approximately 75km NE of Kalgoorlie.
- Jubilee Mines NL ("Jubilee") holds a 60% interest and is earning a 75% interest in the project.

PROJECT STATUS

Acra – Jubilee Prospects

Reverse Circulation Drilling

Seven RC drill holes and seven pre-collars were completed at the Jubilee Prospect for a total of 1,910 metres. Diamond tails will be drilled during the March 2008 Quarter.

Assays from reverse circulation holes JBRC012 to JBRC018 have been returned. Significant intercepts are listed below.

Nickel

Exploration programs consisted of percussion drilling (including pre-collars for a series of diamond holes to be drilled during the March 2008 Quarter), moving loop electromagnetic surveys (MLEM) and geochemical soil sampling.

Initial results from the drilling have been encouraging with a best result returned from JBRC016

Table 4 Acra JV Project RC Drilling: Significant Nickel Result								
Hole ID	Easting (m)	Northing (m)	Depth (m)	From (m)	To (m)	Interval (m)	Ni (%)	Cu (ppm)
JBRC016	409,768	6,622,297	130	6	14	8	0.53	575

This result and the geology in the other holes confirms the prospectivity for nickel sulphides along this targeted contact.

Gold

In addition to the nickel results a number of holes returned anomalous gold values that will be further assessed. The gold mineralisation has a strong association with arsenic and silver values.

Table 5 Acra JV Project RC Drilling: Significant Gold Results									
Hole ID	Easting (m)	Northing (m)	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)
JBRC014	409,814	6,622,473	204	-61.5	214.5	64	68	4	2.03
JBRC017	409,992	6,622,397	177	-60.0	214.5	134	136	2	1.59
JBRC018	410,018	6,622,186	171	-63.5	214.5	88	90	2	2.68

- Hole positions by GPS pickup in MGA94-51 grid coordinates.
- All holes were sampled using 2 metre composite samples and submitted to ALS Chemex Laboratories in Perth for base metal and gold analysis.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

Geophysics

A program of Fluxgate MLTEM surveying was completed over the Jubilee West Prospect. This survey successfully identified a significant anomaly on or close to an interpreted basal contact. A SQUID FLTEM survey is planned to better define the target prior to drill testing.

Sampson Dam Prospect

Geochemistry

A -250um soil survey was undertaken using a 400x40m grid for a total of 4003 samples. Final analytical results will be received in during the March 2008 Quarter.

6 BALAGUNDI PROJECT

- *The Balagundi Project is located 20km E of Kalgoorlie.*
- *Pioneer (through Western Copper Pty Limited) has a 100% interest in the project.*

PROJECT STATUS

The Balagundi Project comprises three exploration licences and seven prospecting licences, totalling 123km² and has a geological setting which is considered by Pioneer's geologists as consistent with that hosting volcanogenic massive sulphide deposits. This target style includes Golden Grove and Teutonic Bore Mines as Western Australian examples.

Regional Data Compilations

In a 1996 review by the Geological Survey of Western Australia, very favourable comparisons were made between the strongly endowed Abitibi Sub-province of Canada, where a large number of volcanogenic massive sulphide ("VMS") deposits are hosted, and the Gindalbie Terrane of Western Australia, in respect of its prospectivity for VMS deposits.

Through its 100%-held Balagundi and Silver Swan Northwest Projects, Pioneer holds a major land position in the Southern Gindalbie Terrane.

The comparison between the Abitibi Sub-province and Gindalbie Terrane was based on age, volcanology and whole-rock geochemistry. The major difference is the degree of superficial weathering in Western Australia, which may mask or remove evidence of the presence of VMS deposits.

The Company has completed an extensive geological compilation for Balagundi and Silver Swan Northwest Projects and has commenced a major multi-element geochemical program, analysing for pathfinder elements as well as litho-geochemical elements in line with modern research into exploration for VMS deposits in the weathered terrane.

Pioneer's consultant geologist has completed a study of magnetic and satellite imagery; and open file reports, generating interpreted geology and regolith maps.

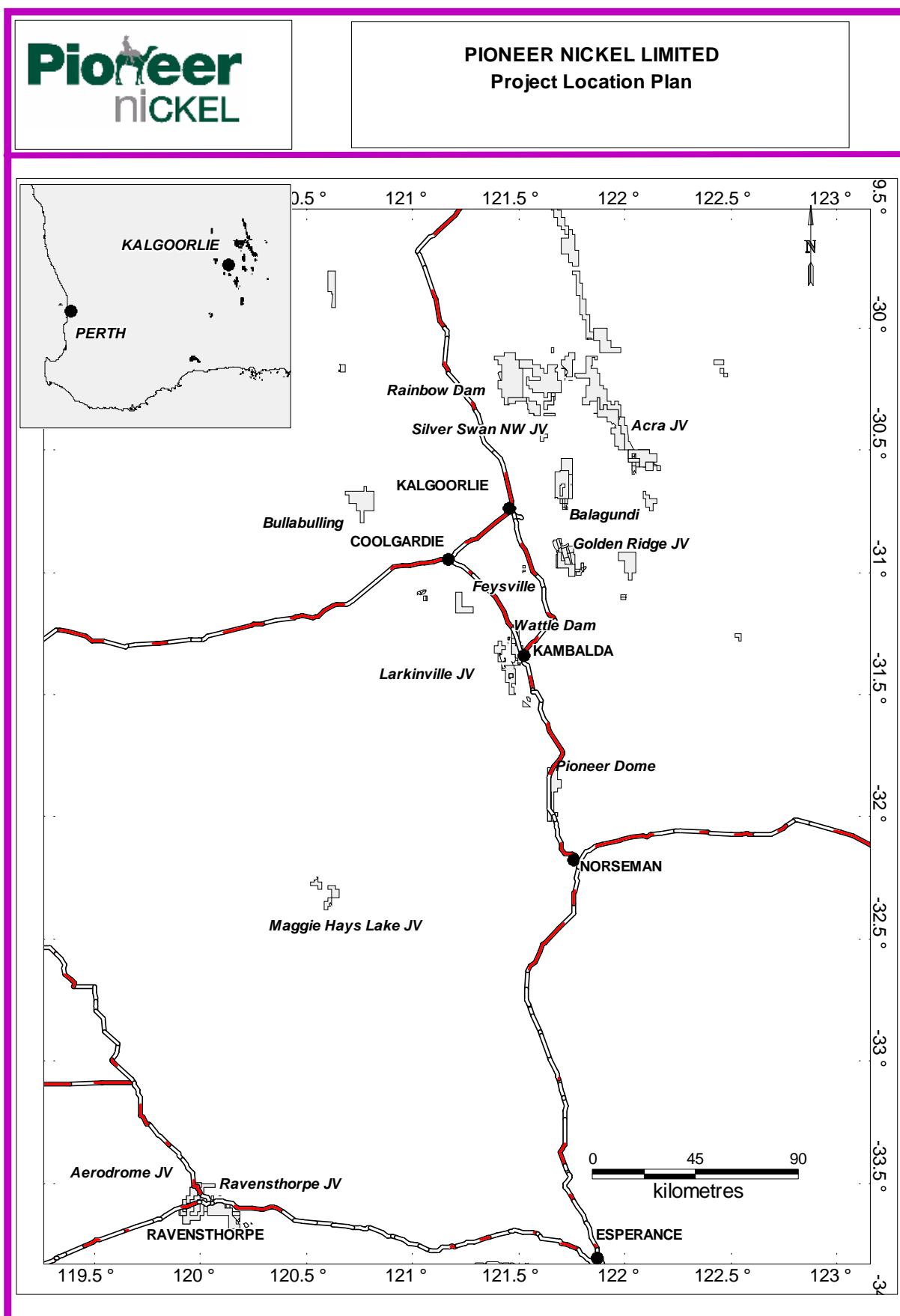
KEY OBJECTIVES MARCH 2008 QUARTER

- Assay results from auger sampling are currently being received;
- Multi-variate analysis of pathfinder elements will be completed.

I, James Walter Guy:

- 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.



Pioneer Nickel Limited
December 2007 Quarterly Report – Operations Summary

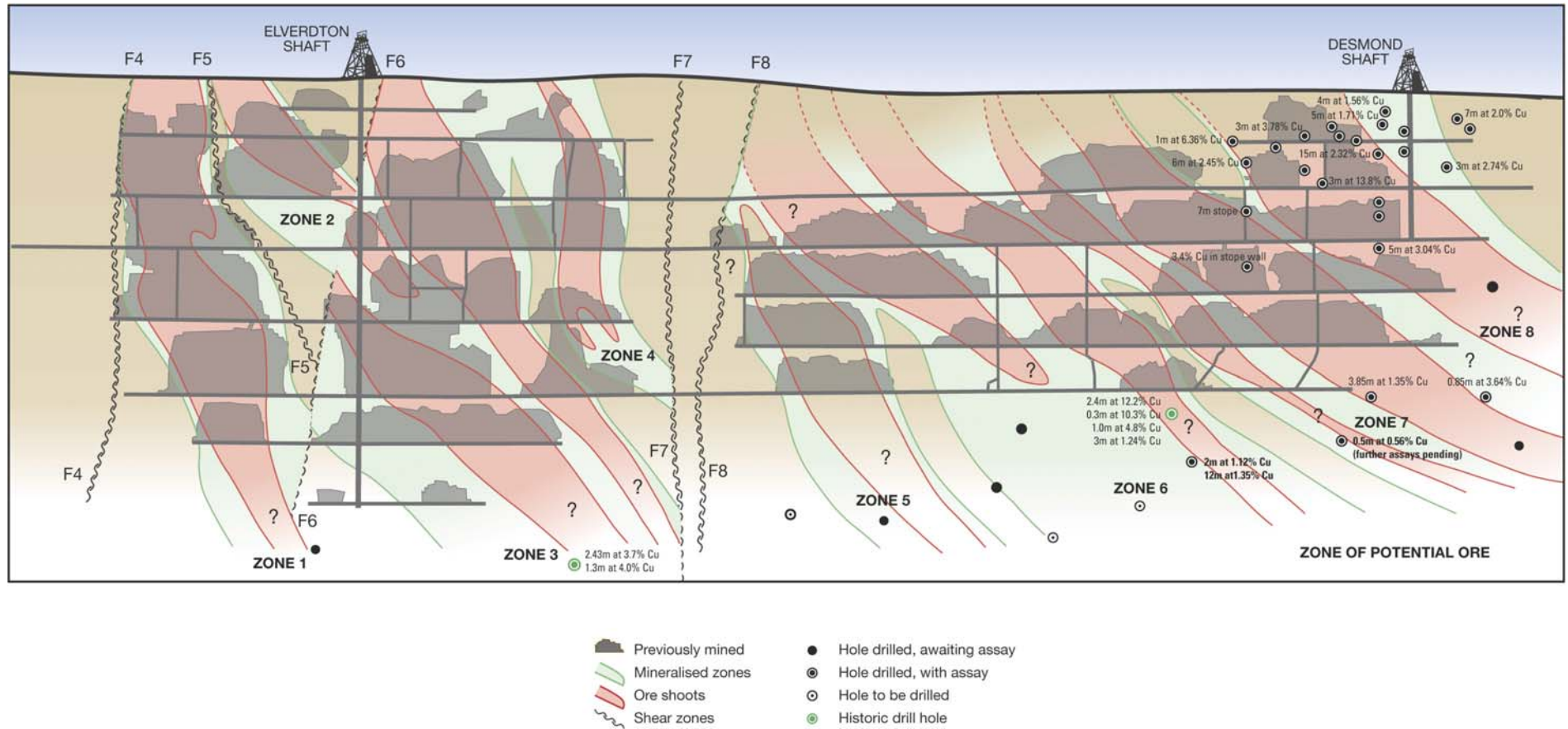


Figure 2. Long section of the Mt Desmond-Elverdtion Mine, showing proposed and completed drill holes.

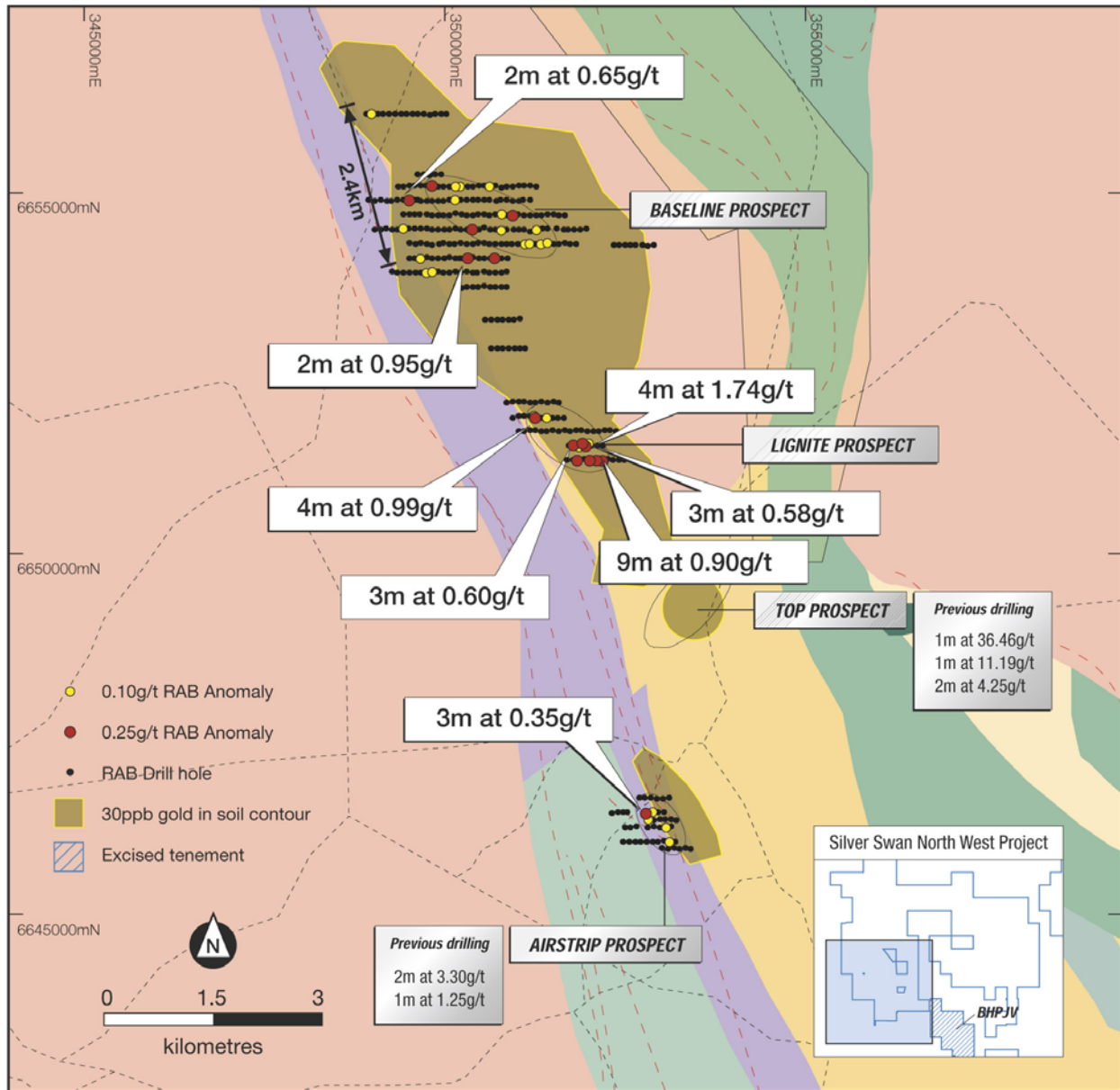


Figure 3. Silver Swan North West Project showing the original soil anomaly outline, RAB drill holes colour coded for geochemical result, significant intercepts and the location of the priority targets.

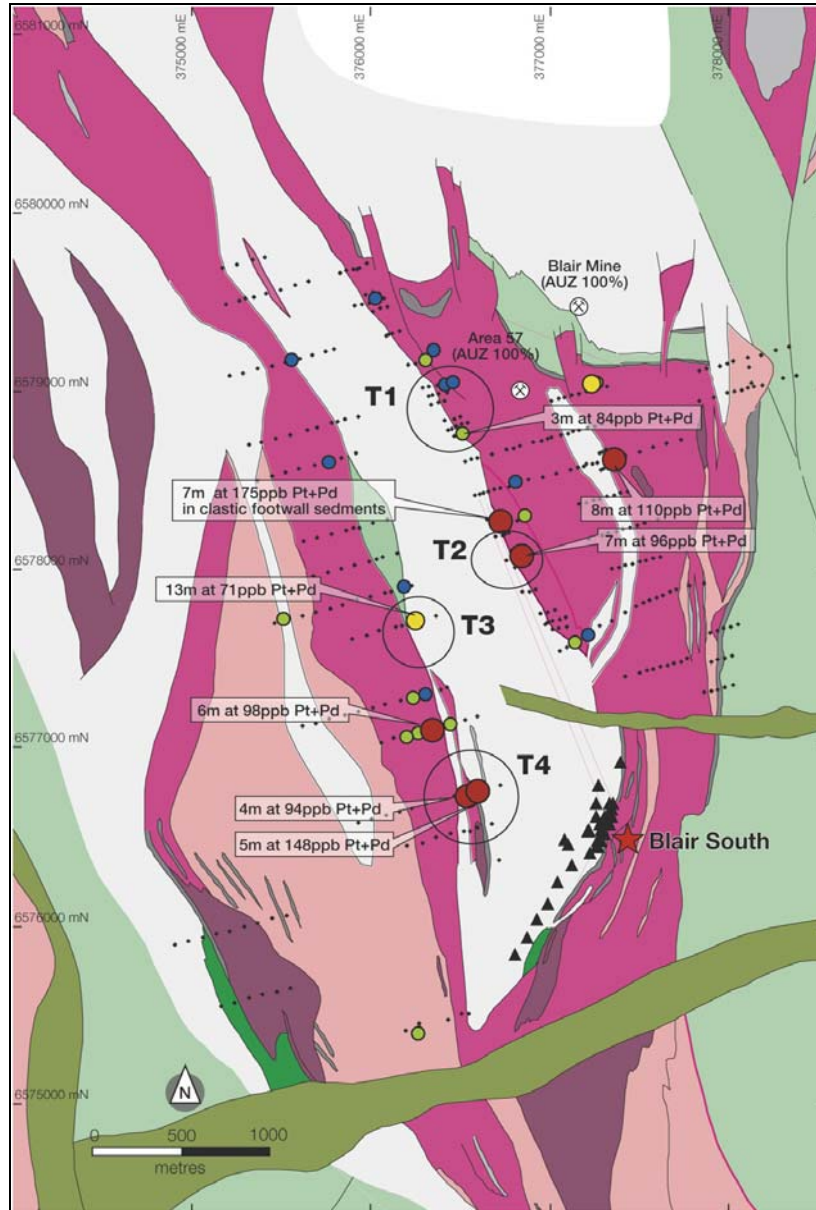


Figure 4. Golden Ridge Project showing RAB and aircore drill hole locations, with significant PGE intercepts and new targets shown.

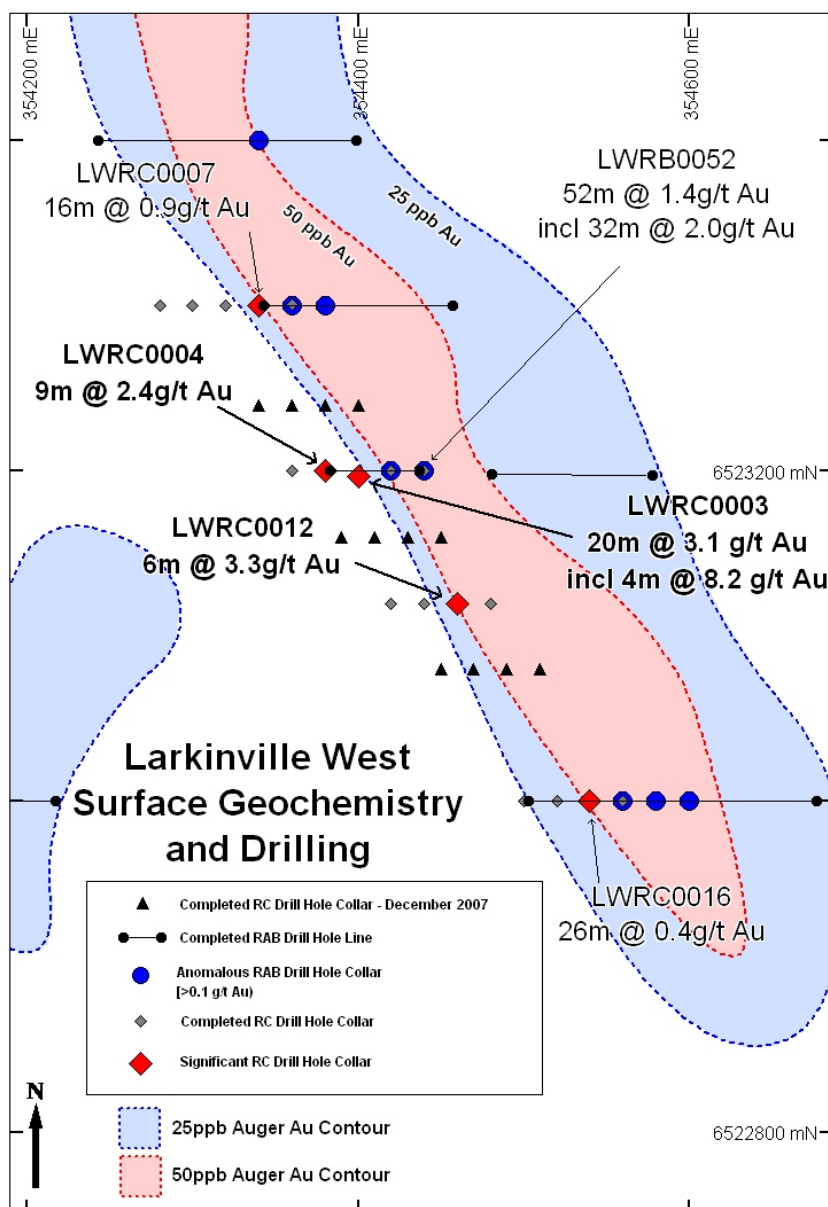


Figure 5. RC drilling locations and key results at Larkinville West

For more detailed information please see below or contact;

Released by:
Katherine Knox
Consultant
Porter Novelli
T: 61 8 9386 1233
E: kknnox@wa.porternovelli.com.au

On Behalf of:
David Crook
Managing Director
Pioneer Nickel Limited
T: 61 8 9322 6974

Or visit: www.pioneernickel.com.au

Appendix 5B

Mining exploration entity Quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PIONEER NICKEL LIMITED

ABN

44 103 423 981

Quarter ended ("current Quarter")

31 DECEMBER 2007

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(856)	(2,020)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(180)	(413)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	35	82
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Farm in option fees	-	700
	Sundry	2	3
Net Operating Cash Flows		(999)	(1,648)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(13)	(23)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	202	202
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Payment for tenement bond	(10)	(60)
	Other – Tenement bonds refunded	10	10
Net investing cash flows		189	129
1.13	Total operating and investing cash flows (carried forward)	(810)	(1,519)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(810)	(1,519)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(810)	(1,519)
1.20	Cash at beginning of Quarter/year to date	2,575	3,284
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of Quarter	1,765	1,765

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$83
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	<i>Within item 1.2</i> (i) Managing Director and Non-Executive Directors' remuneration - \$83k	

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next Quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	NIL
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the Quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	20	31
5.2 Deposits at call	1,745	2,544
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of Quarter (item 1.22)	1,765	2,575

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of Quarter	Interest at end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)	-	-	-	-
7.2 Changes during Quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Ordinary Shares (PIO)	89,798,479	89,798,479		Fully Paid
7.4 Changes during Quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during Quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted options (PIOAO)	3,750,000	-	25 cents each	28 Nov 2009
	Unlisted options	250,000	-	30 cents each	31 Dec 2008
	Unlisted options	500,000	-	30 cents each	1 April 2009
	Unlisted options	1,000,000	-	25 cents each	31 Aug 2011
	Unlisted options	2,400,000	-	20 cents each	8 Sept 2010
	Unlisted options	2,400,000	-	22 cents each	8 Sept 2011
	Unlisted options	200,000	-	25 cents each	31 March 2012
	Unlisted options	350,000	-	25 cents each	30 June 2011
	Unlisted options	250,000	-	30 cents each	30 June 2011
			-		
7.8	Issued during Quarter	100,000	-	25 cents each	30 June 2011
7.9	Unlisted options Exercised during Quarter	-	-		
7.10	Expired during Quarter (lapsed)				
	Unlisted options	2,500,000	-	30 cents each	24 Nov 2007
	Unlisted options (PIOAK)	3,000,000	-	25 cents each	31 Dec 2007
	Unlisted options (PIOAK)	3,050,000	-	25 cents each	31 Dec 2007
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 January 2008

Company Secretary

Print name: JULIE-ANNE WOLSELEY

Notes

- 1 The Quarterly report provides a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.