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ASX RELEASE

Pioneer Nickel Limited (ASX: PIO)

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 JUNE 2009**

HIGHLIGHTS

- **The Lignum Dam Gold Project:** RAB¹ drilling successfully confirmed key targets. Results included 20m at 4.29g/t Au (including 12m at 6.65g/t Au from 36m).

In preparation for RC² drilling at the Lignum Dam Gold Project, the Company raised a total of \$545,000 through share placements, in addition to \$620,000 raised through the Company's Share Purchase Plan and a placement to Directors.

- **The Mt Thirsty South Project:** Strongly elevated PGE³ assays were returned from RAB drilling samples. Coincident elevated copper and PGE assays of up to 653ppm Cu and 535ppb PGE may indicate that ultramafic rocks are prospective for nickel sulphide mineralisation.
- **The Acra JV Project:** A new nickel sulphide target has been identified through detailed mapping by Pioneer's geologist. The target is believed to be a 400m x 100m area of disseminated nickel gossan. This work is being fully funded by Xstrata Nickel Australasia and is managed by the Company.
- **Following shareholder approval, the Company will change its name to PIONEER RESOURCES LIMITED, to better reflect the multi-commodity nature of its projects.**
- **At 30 June 2009 Pioneer had cash reserves of \$1.32 million and no debt.**

Exploration:

Lignum Dam Gold Project – High Grade Potential Revealed by Latest Drilling

Pioneer 100%.

The project is located 50km N of Kalgoorlie, WA, and 21km NE from the Paddington Gold Mine.

A program of 88 RAB holes for 3,538m of drilling was completed, infilling and extending the Tregurtha and Hughes Prospects. Selected results are included in Table 1.

Hole ID	North (m)	East (m)	Azimuth	Dip	Total Depth	From (m)	To (m)	Interval (m)	Gold (g/t)
SSB605	6650592	352740	270	-60	41	36	41eoh	5	2.24
SSB611	6650497	352320	270	-60	66	28	56	28	0.61
				Incl		40	44	4	1.42
						48	52	4	1.00
SSB615	6650501	352642	270	-60	37	34	37eoh	3	2.94
SSB616	6650500	352736	270	-60	49	40	45	5	1.45
SSB626	6650397	352547	270	-60	53	36	48	12	0.77
				Incl		36	40	4	1.90
SSB687	6651298	352099	270	-60	62	32	52	20	4.29
				Incl		36	48	12	6.65

- o *Drill hole collar positions determined by hand held GPS receiver MGDA94-51 datum*
- o *Analytical results by Genalysis Laboratories Pty Ltd 50g Fire Assay 1ppb lower detection limit*
- o *Intersection grade is based on composite and single metre samples. Length weighted average grade reported.*
- o *Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.*

Outlook – Mineralisation Geometry to be Tested

The Company is preparing to undertake the first program of RC drilling for the Lignum Dam Project. In preparation:

- Statutory approvals have been received;
- A Sub-Audio Magnetic ("SAM") geophysical survey was completed. The Company's geophysical consultants are currently processing and interpreting the data, to optimise drill collar locations and drilling directions; and
- An ethnographic and heritage survey of the area was completed. Pioneer engages local indigenous groups ahead of significant work programs as a matter of policy.

The Company anticipates that the first pass of RC drilling will see 36 reverse circulation drill holes completed. Drilling will commence early in August 2009 following the receipt of the SAM survey interpretation.

A review of previous work within the Lignum Dam Project has identified a further eight targets for future drill testing.

Mt Thirsty South Nickel Project – Sulphide Potential Upgraded

Pioneer 100%.

Pioneer's Mt Thirsty South Project is immediately south and geological continuous with the Mt Thirsty Project, a joint venture between Barra Resources Ltd and Fission Energy Ltd ("Mt Thirsty JV"). The Mt Thirsty JV has reported a Mineral Resource of lateritic cobalt mineralisation which is the subject of a feasibility study.

The Mt Thirsty JV recently announced that a drill hole, to test an EM conductor in ultramafic rock, had intersected nickel sulphide mineralisation. This is the first report of nickel sulphide mineralisation in the Mt Thirsty Ultramafic Complex and therefore is potentially very significant.

Pioneer has mapped the ultramafic rock unit and analysed RAB drill samples for indications of nickel sulphides. Within ultramafic rocks, which have a naturally high content of nickel, copper and PGE are important indicators of the potential for nickel sulphide mineralisation.

A selection of 255 samples from 20 RAB holes was assayed for gold, platinum and palladium. Holes considered anomalous with coincident nickel-copper and PGE are listed in Table 2.

Hole Id	East (m)	North (m)	From (m)	To (m)	Length (m)	PGE (ppb)	Ni (ppm)	Cu (ppm)
MTB0028	371,505	6,444,392	0	4	4	225	2,300	230
MTB0037	371,739	6,443,999	1	57	56	330	1,730	475
MTB0066	371,735	6,443,195	20	24	4	535	2,800	653
MTB0080	371,701	6,444,000	0	14	14	291	1,971	154

- Drill hole collar positions determined by hand held GPS receiver MGDA94-51 datum
- Analytical results: KAL Assay Laboratories Pty Ltd, 40g fire assay, 1ppb lower detection limit
- Intersection grade based on composite samples
- Length weighted average grade reported
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

Outlook – Geological Structure the Key to Prospectivity

The ultramafic complex requires further detailed mapping to evaluate at least 3 basal contact surfaces previously identified. Additional geochemistry and electromagnetic surveys will be used to generate drill targets.

Acra Joint Venture Project – Further Nickel Sulphide Endowment Evident

Xstrata earning 80%, Pioneer diluting to 20%, free carried to commencement of mining.

Pioneer resumed technical management of the Acra JV Project earlier this year, which remains fully funded by Xstrata. Xstrata has approximately \$1 million of expenditure outstanding to complete its earn-in commitment to earn an 80% interest in the project. Pioneer will continue to be free-carried for exploration expenditure thereafter.

Geological mapping and hand-held XRF analysing was undertaken, which located a new target, the Acra Disseminated Gossan Prospect. The work defined an area of anomalous nickel and copper geochemistry measuring 400m x 100m within prospective ultramafic rocks. The anomaly is closed to the south but runs under cover to the north.

Correlation re-logging of drill core from the Jubilee West Prospect (where a mineralised, intact basal ultramafic surface was intersected in drilling) was completed and the data is currently being incorporated into the geological model.

Outlook – Ground Geophysics in Progress

A fixed loop EM survey is currently in progress over the Acra Disseminated Gossan Prospect, and on-going surface sampling program will continue to extend the anomaly to the north.

Mt Chester Manganese Prospect – Potential to Extend Anomalous Zone

Pioneer 75%, Galaxy Resources Limited 25%, contributing interest.

The Joint Venture has reported an initial target based on a 500m long rock chip and soil geochemical anomaly, with rock chip assays ranging between 30% to 49% Mn. A second manganese soil anomaly is evident north along strike of the initial outcropping target. Testing for southern strike extensions is planned for later in the year, following winter rains.

The Mt Chester Manganese Prospect has significant infrastructure advantages over other manganese projects located on mainland Australia, being 10km from an established town and 180km from a deep water port.

Silver Swan North West Nickel Project

Pioneer 100%.

During the quarter BHP-Billiton withdrew from the joint venture. Pioneer acknowledges BHP-Billiton for the work they completed on the project.

The tenements are southeast of the Lignum Dam Gold Project and are prospective for gold.

Corporate: Capital Secured to Continue High Impact Exploration

During the June 2009 Quarter the Company completed a Share Purchase Plan, a placement to Directors (following shareholder approval) and two capital raisings under Section 708 of the Corporations Act, raising a total of \$1,165,000 (before issue costs).

Shares Issued	Issue Price	Mechanism	Amount Raised
28,000,000	2cps	Share Purchase Plan	\$ 560,000
3,000,000	2cps	Placement to Directors	\$ 60,000
4,000,000	2cps	Section 708 placement	\$ 80,000
18,600,000	2.5cps	Section 708 placement	\$ 465,000
53,600,000			\$1,165,000

Following completion of these capital raising initiatives Pioneer has 174,708,479 fully paid ordinary shares presently on issue.

At a General Meeting held on the 17th of July 2009, shareholders approved the change of the Company's name to Pioneer Resources Limited. This change recognises the Company's multi-commodity approach to exploration, and in particular the recent priority given to the Lignum Dam Gold Project.

Yours sincerely



Managing Director

For more information please contact:

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Glossary

"RAB" means Rotary Air Blast, an inexpensive method of exploration drilling which generates geochemical samples.

"RC" means Reverse Circulation, a method of drilling whereby the sample is returned to the surface via a central tube running up the length of the drill pipe. Samples are much less prone to contamination, therefore may be used for ore reserve calculations.

"PGE" means Platinum Group Elements. In this case it means platinum plus palladium ("Pt+Pd")

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a member of the Australasian Institute of Mining and Metallurgy and is a competent person with over 20 years experience in the minerals industry, including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.



PIONEER NICKEL LIMITED Tenement Location Plan June 2009

