



New Targets, New Prospects: The Treasure Chest Grows

ASX Code: PIO

Share Price (as at 14 May 2008): A\$0.10

Market Cap (at \$0.10): A\$11M

Issued Capital: 103M shares

Cash: \$2.0M

Management

Reg Gillard (*Chairman*)

David Crook (*Managing Director*)

Allan Trench (*Non-Executive Director*)

Peter Langworthy (*Non-Executive Director*)

Top Shareholders

Xstrata Nickel	17.3%
IJ Buchhorn	5.5%

The Company's business plan includes:

- Maintaining exploration focus on its core projects;
- Remaining well-funded to permit substantial in-ground exploration programs;
- Researching and ranking projects to a "develop or divest" decision point; and
- Developing a portfolio of farm-out joint ventures to mitigate financial risk.

Pioneer Nickel Limited (ASX: PIO) is a specialist exploration company exploring for base metals and gold in the Kalgoorlie District of Western Australia. The Company strives to add shareholder value by balancing work on advanced projects with active project generation from its large tenement portfolio, which includes under-explored land positions adjacent to production centres.

Current Exploration Programs

Drilling programs for the next two quarters:

Golden Ridge JV. (Pioneer 51%)

- Three new Central Ultramafic Unit targets
- Leo Dam target: 47m at 0.62% Ni and 327ppm Cu

Silver Swan Northwest (Pioneer 100%)

- Infill RAB drilling at the Lignite Gold Prospect
- RC drilling to target 3 EM conductors for nickel sulphides

Mt Thirsty South Project (Pioneer 100%)

- RAB and RC drilling to test a potential cobalt-nickel-manganese laterite deposit

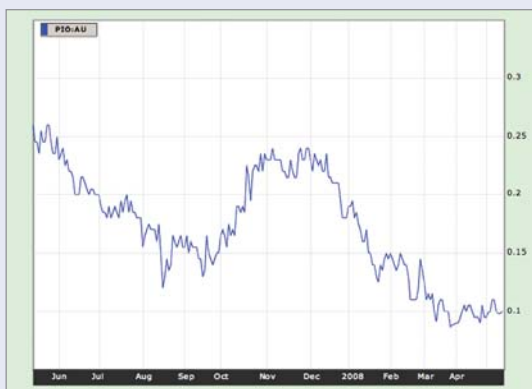
Rising target

- VMS base metal target within Gindalbie Project

In addition:

- Xstrata is currently drilling at Acra JV
- Ramelius has definition drilling planned for Larkinville West.

Share Price Performance



PIO

Summary of Work Programs for Pioneer Managed Projects - 2008

Silver Swan Northwest: Scotia East Project (Pioneer 100%, Nickel)

- Located 50km NE of Kalgoorlie, Western Australia
- Geological proximity to Silver Swan Nickel Mine and Mt Jewel nickel occurrence
- An EM survey of prospective ultramafic rocks has located three conductors on the interpreted basal contact
- Approvals have been received for a 3 drill hole program to test the conductors

Silver Swan Northwest: Lignum Dam Project (Pioneer 100%, Gold)

- Located 50km NE of Kalgoorlie
- Gold in granodiorite, analogous to Golden Cities deposits
- RAB drilling identified gold-in-soil anomaly associated with a 12 kilometre-long structural corridor on a 400x80m pattern
- Approvals are in place and drilling will commence during the June 2008 quarter

Gindalbie Project (Pioneer 100%, Copper-Lead-Zinc)

- Located 20km E of Kalgoorlie, the project aggregates Balagundi and eastern SSNW tenements
- Bimodal volcanics are recognised by the CSIRO as being prospective for volcanogenic massive sulphide (VMS) deposits
- Magnetic, radiometric and photographic interpretations have resulted in new solid geology and regolith maps
- Soil geochemistry has returned a priority Cu+Pb+Zn+5 additional pathfinder elements anomaly with a strike length of 6.5km, at the drill-ready Trapdoor Prospect
- Earlier orientation drilling by Pioneer returned intercepts grading up to 3% Cu
- Other VMS targets occur at Red Bluff Gully and Hillsborough

Golden Ridge JV Project (Pioneer 51%, AUZ 49%, Nickel)

- Located 30km SE of Kalgoorlie and 30km N of Kambalda in Western Australia
- The flagship project covers more than 100km² of granted mining leases, providing tenure to ultramafic units prospective for nickel sulphides, surrounding but excluding the Blair Nickel Mine. At least 7 occurrences of nickel sulphides have been recognised within the project
- 26,000m of aircore drilling and whole rock geochemistry has highlighted a major structural repeat of the fertile Blair South Ultramafic Unit. The Central Unit is recognisable over 5km of strike and is open to the north
- A focussed program of drilling followed by EM surveys covering confirmed targets is planned
- Recent drilling has identified that the Leo Dam Ultramafic Unit is prospective for nickel. This is a new area located 2km NE of the Blair Mine where aircore drilling returned 47m at 0.62% Ni and 327ppm Cu

Mt Thirsty South Project (Pioneer 100%, Cobalt-Nickel-Manganese)

- Strongly weathered ultramafic rocks (limonite, low magnesium) with elevated cobalt, nickel and manganese
- Targeted ore-type amenable to a moderate temperature, ambient pressure leach using a weak acid solution
- Soil sampling is clearly anomalous with elevated cobalt, nickel and manganese values over the targeted unit

Highlights from JV Exploration

Acra JV Project (Pioneer 40%, Xstrata Nickel 60%, Nickel)

- Located 75km NE of Kalgoorlie, Western Australia
- Target is Cosmos – Prospero style massive nickel sulphide mineralisation
- Three active prospects are being evaluated: Jubilee-JSW Gossan, Jubilee West and Acra South Prospects
- Disseminated sulphide mineralisation has been drilled at each of these prospects
- Drilling is continuing, testing EM conductors and open sulphide intersections

Wattle Dam 1A North (Pioneer 20%, RMS 80%, Nickel)

- Located 60km S of Kalgoorlie
- Drilling will target an EM plate associated with an earlier diamond core intercept of 0.45m at 2.04% Ni
- Aircore drilling will test other ultramafic contacts

Larkinville West (Pioneer 25%, RMS 75%, Gold)

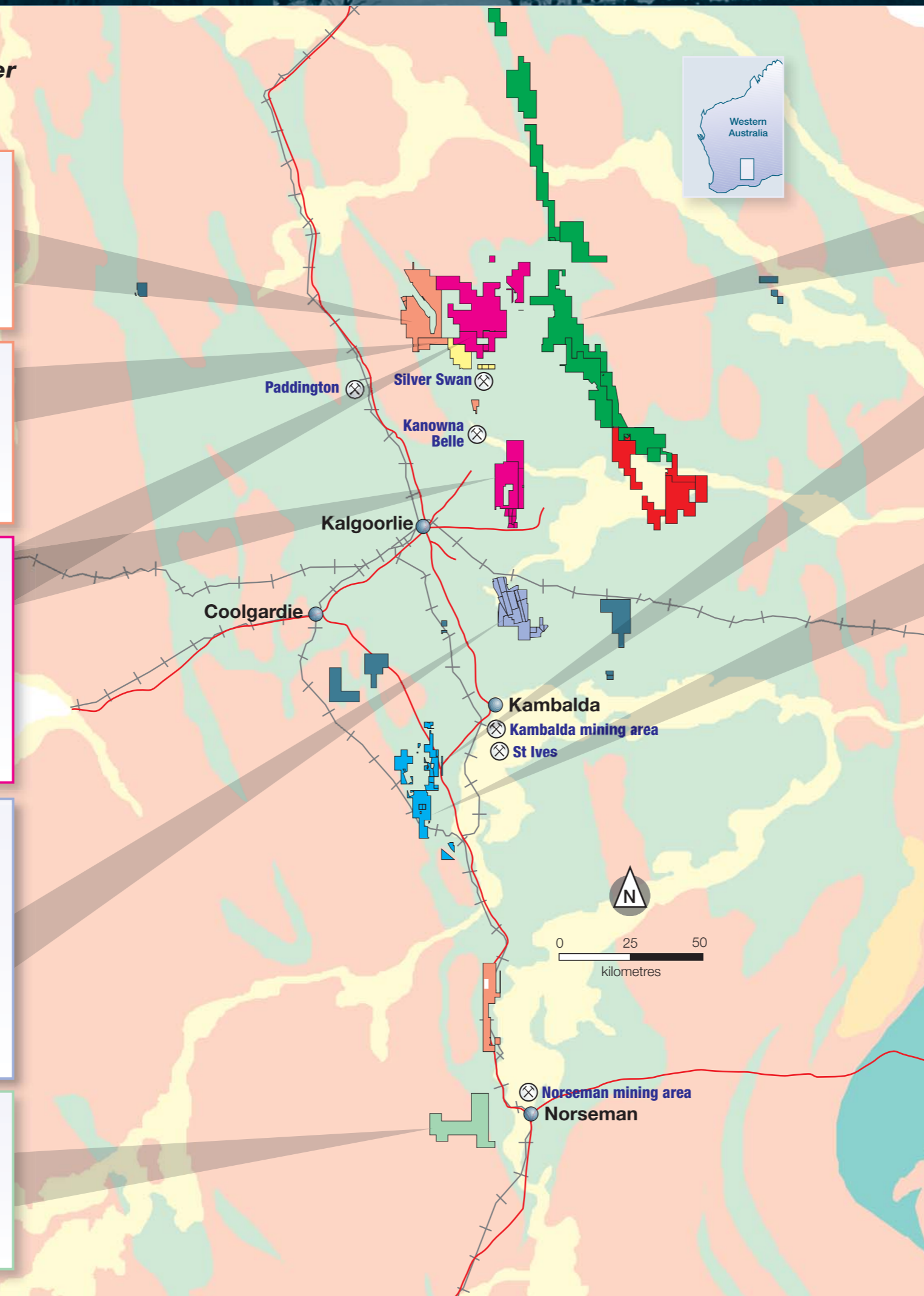
- Located 60km S of Kalgoorlie
- Drilling returned include 20m at 3.0g/t, 12m at 2.6g/t and 3m at 4.9g/t Au
- RC and diamond drilling will continue to test this target

Summary

Pioneer is strategically positioning itself to benefit from the high, albeit sometimes volatile, metal prices across many commodities. Pioneer's decision to diversify from a purely nickel explorer to a broader brief has seen the Company identify several new prospects with gold, copper-lead-zinc or cobalt-nickel as the targeted commodities. Pioneer has remained reasonably funded and committed to in-ground exploration during a challenging stock market in 2008.

The Company recently completed a major drilling campaign at its Ravensthorpe JV Project. While results are being worked through, exploration activities will move back to the Golden Ridge JV Nickel Project where the interpretation of results from 2007 drilling campaigns has identified four new drill targets.

Pioneer has also benefited from its pipeline approach to exploration within its 100%-owned tenement portfolio with two prospects rising to drill target status - the Silver Swan Northwest and Mt Thirsty South Projects. In addition, work planned and in progress by the Company's joint venture partners at Acra, Larkinville and Heazlewood (Tasmania) Projects should ensure a steady flow of results.



Exploration Strategy

Following a recent capital raising, Pioneer enters the second half of the 2008 exploration year reasonably funded. Although the Company has many targets, the Silver Swan NW, Golden Ridge, and Mt Thirsty South Projects are its immediate priorities.

Golden Ridge JV Project (Nickel)

The new Leo Dam anomaly and three targets at the basal contact of the Central Unit meet key outcome criteria and rank as priority targets for drilling. Two other targets also warrant further testing.

- Target definition aircore drilling will test the primary anomalies
- Surface EM surveys will be completed over confirmed targets

Silver Swan Northwest: Lignum Dam Project (Gold)

Pioneer recently announced a greenfield gold discovery at the Lignite Prospect. Gold mineralisation is located entirely within sheared and altered granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite, 15km to the southwest.

- Infill drilling to a 100x40m pattern will be completed ahead of RC drilling

Silver Swan Northwest: Scotia East Project (Nickel)

Pioneer recently announced the identification of three adjacent conductive plates in a sequence of otherwise very resistive ultramafic and mafic volcanic rocks. Using data from historic, shallow drilling, the depth and dip of these plates is consistent with the basal ultramafic contact.

- Three RC holes will be drilled to test the conductors and enclosing strata

Mt Thirsty South Laterite Project (Cobalt-Nickel-Manganese)

Pioneer has been monitoring the development of treatment options for "lateritic" ore styles and is attracted by the Mt Thirsty South Project with its strongly weathered ultramafic rocks, now predominantly limonite, depleted in magnesium, with elevated levels of manganese and cobalt. Publicly reported test work, which focuses on extraction of manganese, cobalt and a proportion of weakly bound nickel, indicates that a moderate temperature, ambient pressure leach using a weak acid solution could be commercially applicable.

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.

- Three traverses of RAB drilling will confirm the development of a mineralised "laterite"
- Traverses of RC drilling will then be used to quantify a resource, if present

Acra JV Project (Nickel)

Drilling has confirmed that the southern Acra basal contact is fertile, with nickel sulphide mineralisation now identified at the Jubilee-JSW Gossan, Jubilee West and Acra South Prospects in addition to the original Acra Prospect.

- Diamond drilling is continuing at the Jubilee West Prospect, testing a SQUID EM anomaly

Larkinville West JV Project (Gold)

Following the interpretation of 12 recent RC holes mineralisation is interpreted as a supergene zone overlying the up-plunge projection of fresh rock mineralisation, near the surface.

- Four drill holes are planned (700m) to test for fresh rock intercepts

Company Strategy

Pioneer's foremost objective is to discover nickel and base metal deposits with a view to making production decisions within the next two to three years. The Company has a strategically located, multi-commodity tenement portfolio and believes that by focussing exploration on core projects a discovery will result.

Since listing on the ASX in late 2003, Pioneer has added the Golden Ridge, Ravensthorpe, Aerodrome and Balagundi Projects to its portfolio and compiled new projects for exploration at Silver Swan NW, Gindalbie and Mt Thirsty Projects.

Pioneer has attracted the attention of a number of senior mining companies who have entered into joint venture agreements to earn equity in its projects, including Xstrata Nickel (Acra), BHP Billiton (Silver Swan Northwest), Ramelius (Larkinville West) and Norilsk (Maggie Hays Lake). Xstrata has also taken a significant equity position in Pioneer of 17.3%, has current board representation and has an active investment in the Acra JV Project.

Pioneer remains focussed on implementing a medium to long-term growth strategy driven by genuine discovery.

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