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## ASX/MEDIA ANNOUNCEMENT

### DRILLING EXTENDS BLAIR SOUTH MINERALISATION

Pioneer Nickel (**ASX: PIO**) is pleased to announce that drill results have extended a broad zone of nickel sulphide mineralisation identified earlier this year at its Blair South Prospect, which is located within the Golden Ridge Joint Venture with Australian Mines Limited (**ASX:AUZ**).

The drilling successfully targeted the immediate up- and down- plunge projection of the mineralization, with most holes returning anomalous to significant nickel sulphide assays. Significant thicknesses of mineralisation have now been intersected over a plunge length of 100m.

#### Results received included:

- **5m at 1.48% Ni and 0.17 from 64m**
- **2m at 1.08% Ni and 0.08 from 79m**
- **4m at 1.14% Ni and 0.11 from 100m**

Pioneer Managing Director David Crook said that the results add substance to newly developed theories about the geological setting at the Golden Ridge JV, proposed by Pioneer's geologists.

"Nickel sulphides have been deposited in a very specific geological setting in the Kambalda District. We have now found the right rocks at Blair South and our priority is to determine the geometry of the deposit," Mr Crook said.

The Golden Ridge Joint Venture focuses on the exploration potential of 80 square kilometres of tenements surrounding (but excluding) the operating Blair Nickel Mine, located 30km south east of Kalgoorlie. An Initial Indicated Resource of 2,164 tonnes of contained nickel was recently calculated for Blair South.

In addition to RC drilling at Blair South, the Company has recently completed a gravity survey and two RAB drilling programmes between Blair South and the Blair Mine resulting in the discovery of a new priority zone, some 2.8 km in length.

The area between Blair South and the Blair Mine is considered a highly prospective, priority target by the Company as it has been virtually unexplored despite, its prime location in relation to the world class Kambalda nickel province.

#### For more information please contact:

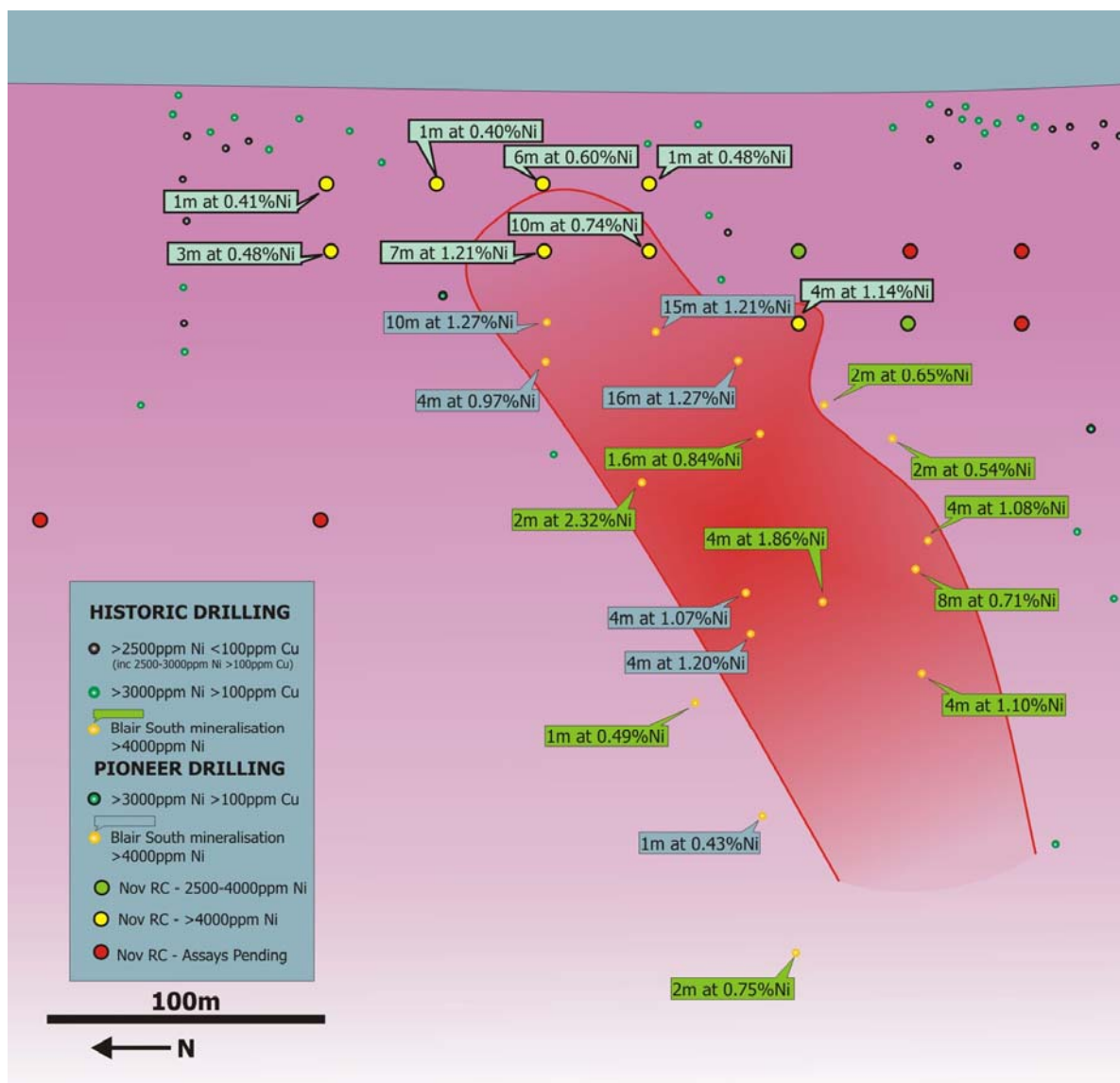
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| Hole ID | Easting<br>GDA94-51<br>(m) | Northing<br>GDA94-51<br>(m) | Dip | Azimuth | Hole<br>Depth | From | To  | Intercept | Ni<br>% | Cu<br>% |
|---------|----------------------------|-----------------------------|-----|---------|---------------|------|-----|-----------|---------|---------|
| GRR020  | 377465                     | 6576770                     | -60 | 90      | 110           | 63   | 70  | 7         | 1.22    | 0.13    |
| inc     |                            |                             |     |         |               | 64   | 69  | 5         | 1.48    | 0.17    |
| GRR021  | 377483                     | 6576770                     | -60 | 90      | 80            | 43   | 49  | 6         | 0.60    | 0.05    |
| GRR022  | 377446                     | 6576730                     | -60 | 90      | 110           | 76   | 86  | 10        | 0.74    | 0.06    |
| inc     |                            |                             |     |         |               | 79   | 81  | 2         | 1.08    | 0.08    |
| GRR024  | 377424                     | 6576680                     | -60 | 90      | 130           | 97   | 108 | 11        | 0.74    | 0.07    |
| inc     |                            |                             |     |         |               | 100  | 104 | 4         | 1.14    | 0.11    |

- Assays were completed by Genalysis Laboratory Services Perth, using a 4 acid digest, ICP-OES finish.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.



The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Nickel Limited, is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AUSIMM, 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.