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**JUBILEE REACHES FIRST EXPENDITURE THRESHOLD AT ACRA
AND ELECTS TO EARN A FURTHER 15% IN THE PROJECT.**

Pioneer Nickel Limited (ASX: PIO) is pleased to announce that Jubilee Mines Limited (ASX: JBM) has provided notification that it has now expended \$3.0 million at the Acra Joint Venture Project, thereby earning a 60% interest in the Project.

In 2004 Pioneer and Jubilee formed the Acra Joint Venture by which Jubilee may earn up to a 75% interest in a large portfolio of tenements. The tenements cover the Acra and Jubilee nickel sulphide occurrences, located 80km east of Kalgoorlie.

Along with this notification Jubilee has made an election to continue with the joint venture. The next threshold, being a 75% interest in the Project, is gained when Jubilee has expended a further \$3.5 million on exploration before 4 October 2010. Pioneer will then continue to be free carried until a decision to mine is made.

Mr Crook said that exploration at the Acra Joint Venture Project was progressing in a very satisfactory manner with several new nickel sulphide occurrences identified. At present down hole EM surveys are being completed along with detailed analysis of results from last year's drilling. Drilling is likely to resume during the June quarter this year.

"Jubilee has a very adept exploration team and a big budget. This has enabled them to make substantial geological in-roads into the project, which is now returning very promising results." Mr Crook said, referring to the drill results announced by Jubilee in the December 2005 quarterly.

With Jubilee completing the first expenditure threshold of the joint venture, Pioneer is now due to receive a total of \$430,000 as cash. In accordance with the joint venture Pioneer will also issue 1 million unlisted options to Jubilee, exercisable within 5 years for \$0.25 per share.

ENDS

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