



Media Announcement

18 November 2003

Pioneer Nickel Limited closes \$5.5 million IPO oversubscribed Drilling to commence at Acra Prospect

Junior nickel exploration company Pioneer Nickel Limited has closed its \$5.5 million offer early and heavily oversubscribed.

Pioneer will use the funds from the IPO for exploration and project evaluation of its seven nickel sulphide projects, predominantly in proven high grade nickel provinces in the Eastern Goldfields of Western Australia.

The offer opened on Friday, 24 October 2003, and was initially scheduled to close on Friday, 21 November 2003. The offer closed early due to the level of demand. Pioneer aims to list on the Australian Stock Exchange within the next 10 days, subject to regulatory approval.

On listing, Pioneer will have 43.9 million shares on issue with 27.5 million initially tradable. Heron Resources Limited shareholders, via an entitlements issue, will own 34.2% of the Pioneer shares. This entitlement will be distributed to Heron shareholders between six and 24 months post listing. Heron's focus will remain the development of its nickel laterite assets.

The heavy demand from both Heron shareholders and new subscribers led to the offer being oversubscribed and raised \$5.5 million, including \$1 million oversubscriptions.

Pioneer Nickel Chairman Craig Readhead said that strong institutional and retail interest for the IPO was pleasing.

"Pioneer would like to welcome all its new shareholders to the register," Mr Readhead said.

"The considerable support for this IPO is recognition of the potential of Pioneer's team, the portfolio of its Eastern Goldfields assets, and the strong nickel price being driven by Chinese stainless steel demand."

Mr Readhead said that the successful Pioneer IPO was more than eighteen months in the planning.

Pioneer was incorporated in January 2003. Since that time, the Board of Directors has been recruiting a number of key executives with strong mining expertise.

Pioneer Managing Director David Crook said that Pioneer has already booked drilling rigs for exploration at Acra.

“Pioneer’s immediate focus is to embark on an aggressive exploration program to add value for shareholders,” Mr Crook said.

“In early December, Pioneer will commence drilling at the Acra project. The Acra drilling is following up strong downhole ElectroMagnetic (EM) targets that have been worked up by Pioneer Nickel’s consultants, Newexco. Aeromagnetic and EM surveys will be completed at two other prospects, Wattle Dam and Higginsville, within two months of listing.

“Pioneer expects follow up drilling of identified targets around the Pioneer-Widgiemooltha-Depot Domes to commence during the March 2004 quarter.

“Pioneer is committed to adding value through discoveries on its existing tenements and by securing further high grade nickel prospects.

“To help drive the exploration process, Pioneer is negotiating the appointment of a senior exploration team with a proven record of massive nickel sulphide discovery.”

Paterson Ord Minnett is the Lead Manager to the Offer.

About Pioneer Nickel Limited

Pioneer has a stable of nickel sulphide assets with a target deposit of 24,000 tonnes of contained nickel metal. The project portfolio includes: Acra; Pioneer; Wattle Dam; Higginsville and Maggie Hayes Lake (a joint venture with LionOre Australia (Nickel) Ltd).

Pioneer’s extensive tenement package is largely within the Eastern Goldfields and was acquired to target proven nickel sulphide geological provinces with several high grade nickel sulphide mines in close proximity. The company also owns tenements in Tasmania.

Pioneer will be the first company to complete EM surveying with follow up drilling and down-hole EM surveys on ground that has seen little nickel exploration since the 1970s.

Pioneer has also acquired the JH and BB Nickel Sulphide deposits from WMC Resources Limited. As part of the acquisition, Pioneer granted to WMC a first right to negotiate an ore purchase agreement.

The company has reserved the ASX code “PIO”.

Visit: www.pioneernickel.com.au

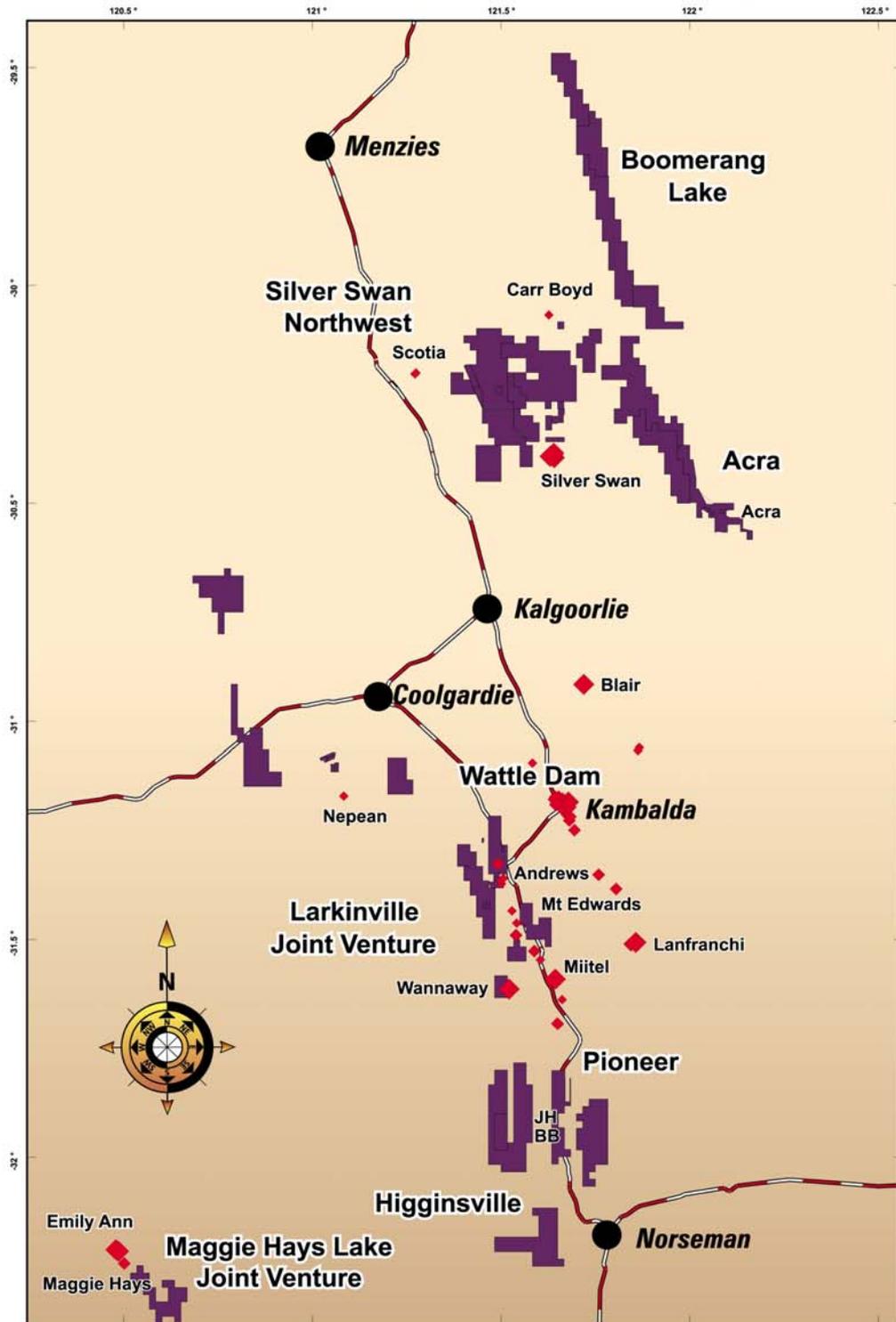
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Pioneer Nickel Ltd Tenement Portfolio



- Pioneer Tenement
- Town
- Nickel Mine (operational)
- Nickel Mine (suspended)

