



Media Announcement

5 January 2004

Acra drilling intercepts magmatic disseminated nickel sulphide

Nickel exploration company Pioneer Nickel Limited (ASX:PIO) today announced its first drilling programme since listing on the ASX, at the Acra project located 80 kilometres east of Kalgoorlie, has encountered disseminated nickel sulphide.

The Acra drilling program consisted of four drill holes totalling 1,014 metres and was designed to confirm Pioneer's existing nickel sulphide model. Of the four holes drilled, three encountered disseminated magmatic sulphides over broad intercepts.

Assays from composite sampling have now been received, with significant results tabulated below:

Acra Project: Reverse Circulation Drilling Significant Results							
Hole ID	North	East	Depth	Interval	Intercept	Ni	Cu
	(m)	(m)	(m)	(m)	(m)	(%)	(%)
ARC015	21,828	3,656	303	224 to 240	16	0.65	0.049
ARC016	21,773	3,739	303	247 to 253	8	0.62	0.041
ARC017	21,880	3,571	303	201 to 226	25	0.60	0.038

NB The analyses reported here were undertaken by Kalgoorlie Assay Laboratories, Kalgoorlie using a 4 acid digest and ICP-OES determination.

Pioneer Nickel Managing Director David Crook said that the positive drilling results have confirmed its decision to prioritise drilling at Acra.

"Acra is the first of Pioneer's six nickel prospects to be drilled since listing in December 2003," Mr Crook said.

"Massive sulphide deposits in the Eastern Goldfields are often discovered following the initial identification of disseminated nickel sulphides. Pioneer is pleased with the Acra drilling programme results and will complete down hole electromagnetic surveys of the four drill holes during January. A 643 station moving loop electromagnetic survey was also completed during December over Acra."

While modelling and interpretation is being completed at Acra, Pioneer has contracted a 1,000 station moving loop electromagnetic survey at its Wattle Dam project, located 20km to the south west of Kambalda, to test for the presence of massive nickel sulphide. Pioneer expects to commence drilling at Wattle Dam during the 2004 March quarter.

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.

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.

Visit: www.pioneernickel.com.au

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