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SPOTLIGHT

Jubilee picks up 10pc stake in Pioneer

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Shares in Heron Resources offshoot Pioneer Nickel soared more than 32 per cent yesterday after Kerry Harmanis' Jubilee Mines took a 10 per cent stake in the explorer and farmed into its Acra nickel deposit near Kalgoorlie.

Jubilee, owner of the rich Cosmos mine, said it would pay \$230,000 cash and spend \$3 million on exploration over three years to take a 60 per cent stake in Acra, which lies close to its own Emu Lake project.

It can also lift its stake in the project to 75 per cent by spending \$200,000 upfront and \$3.5 million more on exploration. At the same time, Jubilee agreed to buy 4.75 million Pioneer shares at 15¢ to take a 10 per cent stake in the explorer, giving it a seat on the board.

News of the deal sent Pioneer shares surging 4¢ to 16.5¢. Jubilee shares jumped 9¢ to \$4.44.

Pioneer chief executive David Crook said Jubilee's investment was "a strong reflection of the value of the Acra nickel sulphide deposit".

"Jubilee has been actively investigating many nickel sulphide projects to invest in or acquire, so this agreement recognises the quality of Pioneer's exploration assets," he said.

Acra gives Jubilee a dominant position over a 140km strike length of rocks prospective for nickel sulphides, the miner said. Recent work at

Emu Lake project had already identified high-grade massive sulphide mineralisation of up to 18 per cent nickel, while work by Pioneer at and around the Acra prospect, had confirmed the presence of widespread disseminated nickel sulphides.

In a busy day for nickel stocks, miner Independence Group said it had upgraded reserves at its Long nickel mine at Kambalda by more than 130 per cent. Independence said reserves at the former WMC operation now stood at 1.185 million tonnes grading 4.1 per cent nickel for 48,300 tonnes of contained metal — a 136 per cent increase after taking 2003-04 production into account.

Independence shares jumped 6¢ to \$1.15. One of the most successful operators of former WMC nickel mines, Independence said it had now mined more than 10,000 tonnes of nickel metal since late 2002.

