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30 April 2004

The Company Announcement Officer
Australian Stock Exchange Limited
Post Office Box H224 - Australia Square
SYDNEY NSW 2000

Dear Sir / Madam

QUARTERLY REPORT *FOR THE PERIOD ENDING 31 MARCH 2004.*

Key Achievements

- Target ranking at Wattle Dam on track for June quarter drilling;
- 5 stratigraphic holes drilled at Wattle Dam for 894m;
- Drill targets generated at Wattle Dam, Acra-Jubilee and Lindsay's Dam;
- As at 31 March 2004 the Company had cash reserves of $4.05 million and was debt free.

Key Objectives

- Complete electromagnetic and geochemical surveys underway at the Lady of the Lake;
- Drilling programmes at Wattle Dam, Acra-Jubilee and Silver Swan Northwest.

Overview

Exploration activities for Pioneer Nickel Limited ("Pioneer") during the March quarter focussed on Wattle Dam where prospects were ranked for June quarter drilling. This involved appraising base-line information accumulated since listing including geological, electromagnetic, aeromagnetic and geochemical data.

Work completed during the quarter included:

- **Wattle Dam prospects prioritised for drilling during the June quarter;**
- **1,150 MLTEM and soil geochemistry sample programme at Wattle Dam**, which has resulted in 14 locations being modelled as drill targets, subject to other target ranking considerations;
- **Five stratigraphic drill holes completed for 894m at Wattle Dam**. Significant thicknesses of "Mottled Dunite" intersected in one hole. This is the geological host unit of the known Spargoville nickel sulphide mines;
- **Two Acra-Jubilee locations prioritised for drilling during the June quarter, following a 106 station FLTEM programme**;
- **A 506 station MLTEM and soil geochemistry programme initiated at the Lady of the Lake,** located south of Acra-Jubilee;
- **One drill-ready target at Lindsay's Dam identified for drilling during the June quarter**;
- Pioneer has pegged a group of Eastern States tenements which provide an option to participate in exploration for commodities other than nickel sulphide. Participation is likely to be by way of joint venture; and
- Pioneer has employed a second full time Geologist and an Administration Manager to complement existing staff and consultants.

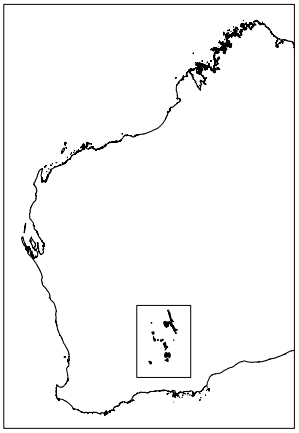
PIONEER PROJECT MAP

Tenements and Infrastructure

Scale: 1:50,000 | Map Grid: MGA94

Author	21/04/2004	Workspace

- Town
- Nickel Sulphide Mine
- Nickel Sulphide Prospect



Menzies
Boomerang Lake
Lindsay's Dam
Jubilee
Acra
Lady of the Lake
Jubilee South
Kalgoorlie
Coolgardie
Kambalda
Larkinville
Wattle Dam
Pioneer
Higginsville
Norseman
Maggie Hayes Lake

Project Review

1 PIONEER PROVINCE
1.1 Wattle Dam Project

Wattle Dam is located 20km SW of Kambalda and covers the Spargoville NiS mine sequence.

Pioneer has retained Southern Geoscience Consultants Pty Ltd to act as consultant geophysicist at Wattle Dam

Wattle Dam has been the primary area of focus for evaluation during the March quarter.

The project was last systematically explored for nickel sulphide ("NiS") during the late 1960s-early 1970s in a programme that resulted in the discovery of four mines at Spargoville. Pioneer has now compiled a large amount of the historical information, which has been merged with base-line data collected since listing, for prospect ranking.

Soil Geochemistry
A soil geochemistry survey comprising 1,006 samples was completed with results indicating anomalous areas with coincident, elevated Ni-Cu and PGE analyses.

Transient Electromagnetic Surveys ("TEM") can either be
- *Moving Loop ("MLTEM");*
- *Fixed Loop ("FLTEM"); or*
- *Down hole ("DHTEM").*

Aeromagnetic Survey
A detailed aeromagnetic survey of the project has been completed and images received. An interpretation is currently being completed by Southern Geoscience Consultants. Data is interpreted for evidence of ultramafic stratigraphy, facing and possible accumulations of magnetic sulphides.

Moving Loop Electromagnetics
A 1,150 station MLTEM survey is complete with fourteen conductors modelled.

Reverse Circulation ("RC") drilling is a technique which delivers pulverised rock to the surface through an inner drill rod tube.

Reverse Circulation Drilling
Five RC holes were completed for a total of 894m. Four holes were drilled to reconcile TEM anomalies; and one specifically tested the 5J stratigraphy, including the nature of sulphides recorded in 1970s drill logs.

TEM anomalies drilled were explained by sulphidic black shales, however WRC008 at 5J encountered a high-magnesian komatiite, locally described as "Spotted Dunite", which is the host stratigraphy at all the Spargoville NiS mines. Importantly, this hole intersected a thin band of matrix sulphides at a sediment-free basal contact. Anomalous Ni results from drill samples are consistent with an endowed NiS environment.

Table 1
Wattle Dam Reverse Circulation Drilling: Collar and Stratigraphic Summary

Hole ID	Easting MGA	Northing MGA	Dip/Azi	EOH Depth	Feature Testing	Stratigraphic Description
WRC002	356330	6536300	-60/090	178m	WDC-2	Thin ultramafic overlying sulphidic black shale with a mafic footwall.
WRC003	356521	6534993	-60/090	140m	WDC-3	Mod MgO ultramafic overlying sulphidic black shale, basalt footwall
WRC004	356421	6535125	-60/090	190m	WDC-3	Variable MgO ultramafic overlying sulphidic black shale, basalt footwall
WRC006	357263	6534836	-60/090	196m	WDC-5	High MgO basalt containing sulphidic black shale (conductor).
WRC008	356489	6532457	-60/090	190m	5J	Moderate to high MgO ultramafic. Abundant disseminated sulphides in ultramafic with thin (<10cm) matrix sulphides. High MgO basalt footwall.

Pioneer nickel

WATTLE DAM PROJECT SUMMARY MAP

Showing Drill Holes TEM Conductors and Prospect Locations

Scale: 1:50,000		Map Grid: MGA94
Author	21/04/2004	Workspace

- WRC006 Drill Hole
- WDC-1 TEM Conductor
- 1A NiS Minesite
- 1Z Prospect Location

Project Review

2. JUBILEE PROVINCE

2.1 Acra

Acra is located 80km E of Kalgoorlie

Electromagnetic anomalies generated in the December 2003 quarter were further defined using FLTEM.

Work completed included:

- 2 FLTEM traverses comprising 44 stations;
- 6 drill holes surveyed by DHTEM;
- Collaborative geological appraisal with CSIRO.

Pioneer has retained Newexco Services Pty Ltd to act as consultant geophysicist for the Jubilee Province.

Electromagnetic Surveys

Two traverses of **FLTEM** were completed over two anomalies highlighted during the 2003 MLTEM survey. Newexco has interpreted ACC_1 as a bedrock conductor, which is scheduled for drill testing during the June 2004 quarter.

A **DHTEM** programme was completed, which included surveys of the four holes drilled during December 2003 as well as two previously surveyed holes. No significant bedrock conductors were located.

2.2 Jubilee

Jubilee is located approximately 5km NW along strike from Acra.

Two FLTEM surveys were carried out over anomalies identified during the December 2003 quarter.

Work completed included:

- 4 MLEM traverses covering 17.35 line kilometres, or 62 stations,

Electromagnetic Surveys

JBC_1 was initially identified using MLTEM in 2003. Three traverses of **FLTEM** data show strong anomalies which Newexco has interpreted as a bedrock conductor. This is scheduled for drill testing during the June 2004 quarter.

2.3 Lady of the Lake, Jubilee South

Lady of the Lake is located approximately 7.5km SW from Acra.

Lady of the Lake and Jubilee South provide access to 20km of Gindalbie Terrain ultramafic.

Pioneer has taken an option to purchase Lady of the Lake and purchased Jubilee South nickel sulphide projects at Kurnalpi, 80km E of Kalgoorlie.

Work completed included:

- Initiation of a 468 station MLTEM and soil sample survey at Lady of the Lake.

The Kurnalpi region is within the Gindalbie geological terrain which hosts nickel sulphides at Pioneer's Acra prospect and the recently upgraded Emu Lake prospect of Image Resources NL and Jubilee Mines NL. The Gindalbie Terrain also hosts the Black Swan group, Carr Boyd and Scotia NiS mines.

Field visits and sampling within the area has confirmed the presence of talcose, high-magnesian ultramafic units.

Project Review

3 GINDALBIE PROVINCE

3.1 Silver Swan Northwest

Pioneer has acquired the remaining "non-nickel" rights to the Silver Swan NW tenement E27/145.

Pioneer has also acquired access to a substantial database which includes geology and drilling results as well as target ranking by a previous explorer.

3.2 Lindsay Dam

Previous explorers located a TEM conductor.

Data research has located details of a MLTEM and follow-up FLTEM survey completed at Lindsay Dam.

EM Interpretation

Modelled MLTEM and confirmation FLTEM data indicates a shallow east-dipping, strongly conductive source situated at greater than 150m depth. Previous drilling in this area appears confined to holes less than 100m deep.

The target's ranking is enhanced further following a study of aeromagnetic data for the location, which suggests the presence of a layered mafic complex.

4 EASTERN AUSTRALIA

Pioneer's Eastern State tenements provide a future option to participate in gold, in well mineralised areas with comparatively little recent exploration.

As a result of a nation-wide nickel search Pioneer identified a number of vacant gold and base metal prospects in the Lachlan Fold Belt of New South Wales and in broadly geologically similar areas of Tasmania and SE Queensland. The total area of the tenements pegged is approximately 630km^2.

The new projects all contain historically mined gold-bearing veins and stockworks and many have reports of base metal occurrences. Within Pioneer's tenements, Department of Mineral Resources New South Wales records show historical production which includes:

- The Pioneer and Homeward Bound Mines, which produced **212,000t for 1.611t Au (7.6g/t), 0.026 t Ag.** The mine had finished production by 1938.
- The Falkner mine, in the Panbula Gold Field, with recorded production of **23,754 t for 1.095t Au (46g/t).**
- The Day Dawn Mine, which operated from 1880 to 1908, is reported to have been mined to the 122m level, with a shaft to 147m. Production was "**estimated at 40,000oz**" and it "ceased working because of depth of water"

Managing Director

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.

Appendix 5B

Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PIONEER NICKEL LIMITED

ABN	Quarter ended ("current quarter")
44 103 423 981	**31 MARCH 2004**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(463)	(555)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(180)	(378)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	52	81
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(591)	(852)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	(15)	(15)
	(b) equity investments	-	-
	(c) other fixed assets	(43)	(130)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Payments for tenement bonds	(17)	(17)
	Net investing cash flows	(75)	(162)
1.13	Total operating and investing cash flows (carried forward)	(666)	(1,014)

1.13	Total operating and investing cash flows (brought forward)	(666)	(1,014)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,528
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings – Heron Resources Ltd	-	20
1.17	Repayment of borrowings – Heron Resources Ltd	(56)	(164)
1.18	Dividends paid	-	-
1.19	Other – Issue Costs	(3)	(353)
	Net financing cash flows	(59)	5,031
	Net increase (decrease) in cash held	(725)	4,017
1.20	Cash at beginning of quarter/year to date	4,775	33
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**4,050**	**4,050**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	$92
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Within item 1.2

(i) Managing Director and Non-Executive Directors' remuneration - $76k

(ii) Administration recharges paid to Heron Resources Ltd an entity related to Messrs Buchhorn, Readhead and Trench- $4k

(iii) Legal consultancy fees paid to Pullinger Readhead Stewart an entity related to CL Readhead - $5k

(iv) Office rental expenses paid to an entity related to IJ Buchhorn- $7k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	NIL
	Total	600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	30	199
5.2	Deposits at call	4,020	4,576
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**4,050**	4,775

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of Quarter	Interest at end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E15/573	Registered Holder	100	100
6.2	Interests in mining tenements acquired or increased	E15/847	Registered Applicant	0	100
		E28/1186	Registered Applicant	0	100
		E28/1301	Registered Applicant	0	100
		M27/1423	Registered Applicant	0	100
		M27/1424	Registered Applicant	0	100
		M27/1425	Registered Applicant	0	100
		M27/1426	Registered Applicant	0	100
		M27/1427	Registered Applicant	0	100
		M27/1428	Registered Applicant	0	100
		P16/4664	Registered Applicant	0	100
		P16/4665	Registered Applicant	0	100
		P16/4666	Registered Applicant	0	100
		P16/4667	Registered Applicant	0	100
		P27/1647	Registered Applicant	0	100
		P28/979	Registered Applicant	0	100
		P31/1707	Registered Applicant	0	100
		EL31/2003	Registered Applicant	0	100
		EL36/2003	Registered Applicant	0	100
		ELA2305	Registered Applicant	0	100
		ELA2311	Registered Applicant	0	100
		ELA2310	Registered Applicant	0	100
		ELA2312	Registered Applicant	0	100
		EPM14549	Registered Applicant	0	100
		EPM14551	Registered Applicant	0	100
		EPM14552	Registered Applicant	0	100

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities** Ordinary Shares (PIO)	43,900,010	27,640,000		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	**+Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** Unlisted options Unlisted options	3,500,000 3,000,000	- -	*Exercise price* 25 cents each 25 cents each	*Expiry date* 31 Dec 2007 31 Dec 2007
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 April 2004
Company Secretary

Print name: JULIE-ANNE WOLSELEY

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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