
Phone: (08) 9091 6974
Fax: (08) 9022 2294
Email: pioneer@pioneernickel.com.au
Web: <http://www.pioneernickel.com.au>

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ASX/MEDIA ANNOUNCEMENT

Exploration Update

FIRST DRILL RESULTS FROM GOLDEN RIDGE JV

Pioneer Nickel Limited (**ASX: PIO**) advises that results from the first stage of its nickel sulphide drilling campaign at the Golden Ridge Joint Venture ("GRJV") have included a significant nickel sulphide intersection at the Marshall Prospect.

Assays from drill hole GRR007 have returned **1m at 2.2% nickel from 215 metres**. Massive sulphide mineralisation is remobilised into footwall sediments 13 metres below the basal ultramafic contact. The new nickel intersection steps out approximately 50m from the closest historical intercept and is consistent with a northerly plunge direction to a mineralised channel system.

To date, 8 drill holes have been completed at the Marshall and Anomaly 20SW Prospects for a total of 1,912 metres. Other holes have returned lower grade nickel sulphides and geological information. Down-hole EM surveys have also been completed on selected holes to facilitate future drill hole targeting.

The next phase of drilling, due to commence shortly, will test targets at Blair South and Anomaly 11. Drilling at Marshall will resume after modelling of Down-hole EM data is completed.

Pioneer Managing Director David Crook said that it is extremely encouraging to get such a positive drilling result this early in the programme.

The Company had previously indicated that about 5,000m of drilling was scheduled for the current round of drilling, testing four nickel sulphide prospects.

-ENDS-

For more information please contact:

David Crook
Pioneer Nickel
Managing Director
(08) 9091 6974
dcrook@pioneernickel.com.au

Jim Hawtin
Porter Novelli
(08) 9386 1233

Web: www.pioneernickel.com.au

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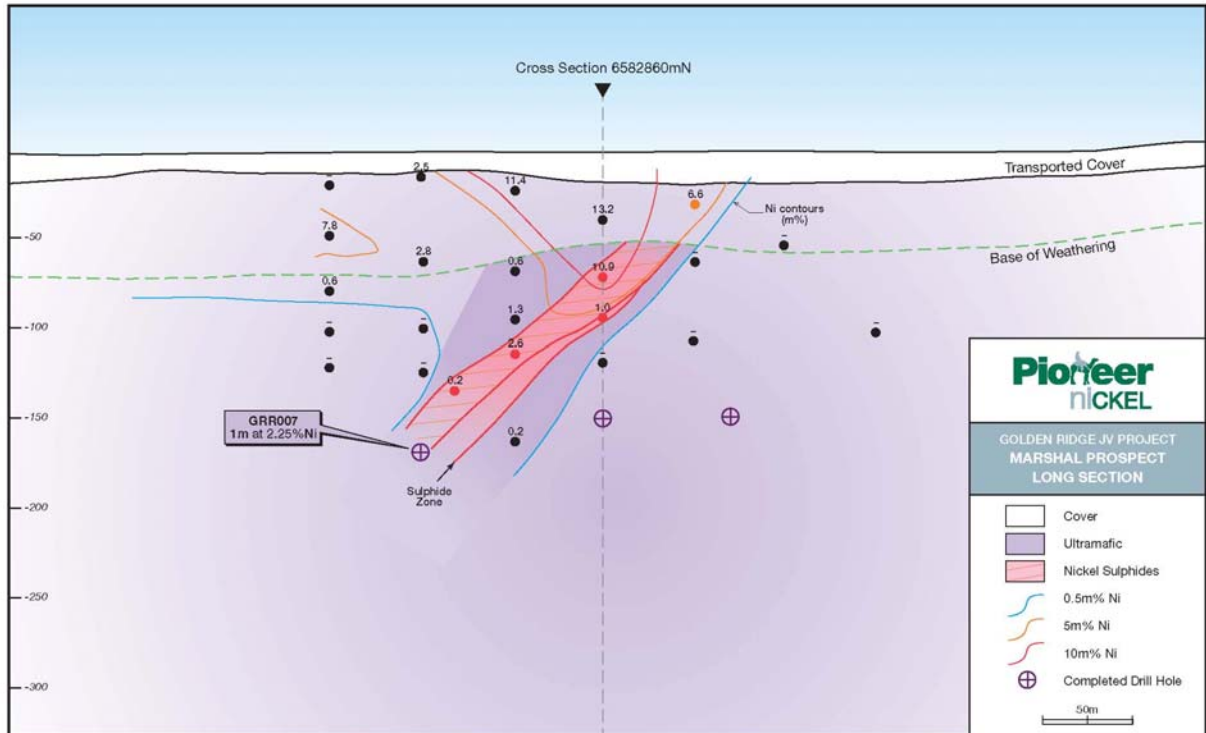


Figure 1 shows, diagrammatically in long section, the location of the new nickel intercept relative to previously identified mineralisation at the Marshall Prospect.

Assays were completed by Genalysis Laboratory Services Pty Ltd, Maddington WA using a 4 acid digest and ICP-OES finish.

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Nickel Limited, is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AusIMM, 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.