

28 September 2006

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

Dear Sir / Madam

**EXPLORATION UPDATE:
INITIAL RESOURCE CALCULATION FOR BLAIR SOUTH,
DRILLING UPDATE FOR RAVENSTHORPE, GOLDEN RIDGE AND ACRA PROJECTS
CAPITAL RAISING AND NEW APPOINTMENTS**

1. Golden Ridge Project

- Pioneer has the right to earn an initial interest of 51% (by expending \$2.25 million on exploration) and up to 80% in the nickel mineral rights.*

Australian Mines Limited has notified Pioneer that an initial Indicated Resource has been calculated for the Blair South Deposit.

Table 1 Blair South Prospect: Indicated Resource				
Prospect	Tonnes (t)	Ni (%)	Contained Ni (t)	JORC Category
Blair South	151,331	1.43	2,164	Indicated

The resource calculation for the Blair South Prospect was supplied to Pioneer by Australian Mines Limited. The calculation was compiled by Mr Ernie Poole, who is a full time employee of Australian Mines Limited, is a Member of the AusIMM with more than 20 years of experience in the mining industry, including relevant experience in relation to the mineralisation being reported on and qualifies as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AusIMM. Mr Poole agrees to the inclusion of this information in the form and context in which it appears in this report.

A 3 dimensional model of the mineralisation and geostatistical interpretations of mineralised trends has provided valuable information when planning follow-up drilling.

Pioneer will resume RC drilling during October at Blair South, with 3,000m planned. The initial 14 holes will test for extensions to the Blair South resource (above), with a further 8 holes systematically testing beneath anomalous shallow drilling located to the south of the resource. The latter holes will act as platforms for DHTEM surveys.

In addition, a 60 hole RAB drilling programme will start next week, designed to trace ultramafic contact surfaces between locations of known mineralisation. This is the primary mapping method in areas of sand cover, and will provide geological detail when interpreting data from a recently completed aeromagnetic survey, and a gravity survey which will be undertaken during October 2006.

2. Ravensthorpe Project

- Pioneer has a right to earn up to 85% in all minerals (except tantalum and lithium on certain tenements) by expending \$0.5 million on exploration,*

The first 4 reverse circulation ("RC") drill holes have now been completed. In all 4 holes encouraging intercepts of disseminated sulphide minerals were recorded, including chalcopyrite.

Very hard rock conditions however have meant that a larger capacity rig is required to complete deeper holes. A suitable drilling rig will be available to commence in 4 weeks time.

The current programme plan is for 7,000m of drilling, with further drilling based on results. Clearing applications and additional botanic surveys are also being completed in preparation for future drilling.

3. Acra Project

- *Jubilee currently holds a 60% interest and is earning up to a 75% interest on the project by expending a further \$3.5 million on exploration.*

Jubilee Mines NL ("Jubilee") has notified Pioneer that RC drilling re-commenced at Acra earlier this week. The current programme is expected to take one month to complete.

In its 2006 Annual Report Jubilee Mines NL stated that it is committed to invest significant resources on the Acra Project in the belief that a significant discovery is possible in the near to medium term.

4. Capital Raising

Further to the recent capital raisings completed by Pioneer, Jubilee has subscribed for 2,473,251 ordinary shares at 12.5 cents raising \$309,156. This placement, to maintain Jubilee's 17.4% interest, was agreed by Pioneer prior to offering shares under the Company's Share Purchase Plan which was successfully concluded in late August 2006. Including this placement Pioneer has now successfully raised \$2,843,656 (before costs) for the quarter ended 30 September 2006.

5. New Appointments

Pioneer welcomes Mr Barry Gaunt as a Senior Geologist for the Company. Barry will reside in Kalgoorlie, initially working on the Golden Ridge Project. Barry has 5 years experience and has worked in a range of commodities including nickel sulphides, gold and diamonds in Western Australia.

In addition, the Company has retained on a consultancy basis Dr Marcello de Angelis to head its copper-gold exploration programme in Ravensthorpe. Marcello has 40 years experience in Australia and overseas specialising in base metals and uranium exploration. He is also credited with the discovery of the Radio Hill Nickel Sulphide Mine.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Crook', with a horizontal line underneath.

David Crook
Managing Director