



ABN 44 103 423 981

21 Ord St, West Perth WA 6005
45 Brookman St, Kalgoorlie WA 6430
PO Box 883 Kalgoorlie WA 6432

Phone: (08) 9322 6974
Fax: (08) 9486 9393
Email: dcrook@pionernickel.com.au

28 November 2006

Access to the Ravensthorpe Joint Venture Elverdton Prospect

Pioneer Nickel Limited's ("**Pioneer**") joint venture partner at the Ravensthorpe Copper-Gold Project, Galaxy Resources Limited ("**Galaxy**"), has advised Pioneer that a dispute has arisen over access to Mining Lease M74/102 held by Paxton Enterprises Pty Ltd ("**Paxton**").

Pioneer's tenement interests at Ravensthorpe cover approximately 10,000 hectares in area. This includes Mining Lease M74/163 held by Galaxy, with an area of 480 hectares. This tenement contains the historical underground Elverdton and Mt Desmond copper mines.

M74/102 is a separate Mining Lease located largely within the boundary of M74/163. M74/102 covers an area of approximately 40 hectares, enclosing a tailings dump and the Elverdton headframe and shaft collar, however is limited in depth to 15 metres below the natural surface of the land.

Under the terms of a Tailings Agreement between Galaxy and Paxton:

- Galaxy holds the rights to all ores and minerals within M74/102 below the tailings dump (with the tailings dump being limited to 1 metre below the natural surface of the land);
- Mining Lease M74/163 includes the land largely surrounding and below M74/102; and
- Galaxy has a right of access on to M74/102 to conduct mining operations, including exploration drilling.

Paxton has refused the Ravensthorpe Joint Venturers access to M74/102 for exploration and has advised Galaxy that a Notice of Dispute will be issued. As a result Galaxy and Pioneer have stood down the drilling rig that was on site.

Commenting on the delay to exploration at Ravensthorpe, Pioneer Managing Director David Crook said it was regrettable that Paxton had taken the extraordinary step of refusing access to the site.

"Pioneer believes that Paxton has no basis to refuse access to Mining Lease M74/102 and we will be taking immediate action against Paxton to enforce our legitimate rights," he said.

Planned exploration programmes will continue at the Ravensthorpe Joint Venture Project. A large reverse circulation drilling rig has already been booked for work commencing in January 2007 and geophysical work programmes are on-going.

In addition, the first copper assays from 14 drill holes completed are due later this week.

- ENDS -

For further information contact;

David Crook Managing Director T: +61 8 9322 6974	
--	--