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ASX/MEDIA ANNOUNCEMENT

GOLDEN RIDGE JOINT VENTURE

Highly Elevated PGE Confirms Nickel Sulphide Potential at Leo Dam Prospect Pioneer Increase equity in Joint Venture

Golden Ridge JV Project (30km SE of Kalgoorlie. Pioneer 53.6%, Australian Mines Limited (ASX:AUZ) 46.4%).

Pioneer Nickel Limited (ASX: PIO) today released final assay results from recent drilling from its promising Leo Dam Prospect. Aircore drilling was used to test weathered rock as a technique to prospect for massive nickel sulphide mineralisation. Results, which the Company considers very encouraging, include:

- o **GRA0253** **70m at 0.60% Ni, 658ppm Cu and 344ppb Pd+Pt**
- o **GRA0254** **44m at 0.70% Ni, 1095ppm Cu and 452ppb Pd+Pt**
- o **GRA0257** **73m at 0.53% Ni, 468ppm Cu and 202ppb Pd+Pt**

Nickel (Ni) and copper (Cu) results were previously announced in the Company's September quarter Technical Summary however today's release follows the return of platinum and palladium (Pd+Pt) assays. The results provide two key pieces of information:

- In the weathered rock profile where sulphide minerals have deteriorated beyond recognition, coincident elevated Ni-Cu-Pd+Pt assays are an excellent sign that nickel sulphides were present; and
- The broad nature of the intercepts suggests that a significant zone of cloud sulphides may be present in deeper, fresh rock. In many Western Australian cases large bodies of cloud or disseminated sulphides accompany the much smaller lenses of massive sulphides and therefore act as a vector to a discovery.

The Leo Dam Prospect occurs approximately 1.5 km northeast of the Blair Mine (AUZ 100%). Strong Ni-Cu-Pd+Pt anomalism has been defined over a strike of approximately 350m, on three drill hole cross sections and remains open along strike to the north and south.

The anomalous mineralisation is located within a high MgO ultramafic unit located stratigraphically above a footwall basalt (figure 1). Importantly, black shales have not been intersected on the basal contact, which will increase the effectiveness of future ground EM surveys.

Pioneer's Managing Director Mr David Crook said that the very significant results from Leo Dam means continuing activity at the project will remain a priority for the Company.

"The Company has a first class nickel sulphide target within a stones throw of a nickel sulphide mine. While the current nickel price is relatively depressed, the mid-term prognosis is better and Pioneer plans to be in a position to take full advantage of this excellent opportunity when the market improves," he said.



The next phase of work will include:

- Further aircore drilling to close off the zone of mineralisation;
- Moving loop EM surveys to look for conductors which could include massive nickel sulphide mineralisation; and
- A series of RC holes which will be used as a platform for down hole EM surveys.

With the completion of the current program, Pioneer has increased its equity to 53.6% in the Golden Ridge JV Project.

Table 1. Golden Ridge JV Project: Significant Aircore Drilling Assay Results (>0.25%Ni with elevated Cu and PGE assays)											
Hole Id	East (m)	North (m)	EOH (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Ni (%)	Cu (ppm)	Pd+Pd (ppm)
GRA0253	378,185	6,581,453	128	075	-60	58	128	70	0.60	658	344
including						74	78	4	0.80	918	633
and						102	102	3	0.86	566	443
GRA0254	378,223	6,581,463	125	075	-60	26	70	44	0.70	1,095	452
including						38	56	18	0.86	1,415	451
GRA0257	378,207	6,581,372	125	075	-60	43	116	73	0.53	468	202
GRA0274	378,200	6,581,090	122	075	-60	63	94	31	0.41	78	71
						97	100	3	0.37	100	165
GRA0275	378,150	6,581,358	101	075	-60	56	101	45	0.55	204	113

- o Analytical results by Ultratrace Laboratories Perth ICP102 FA00;
- o Significant intervals greater than 2500 ppm nickel with anomalous co-elements;
- o Drill hole collar positions determined by hand held GPS receiver and MGA94-51 datum
- o Intervals by length-weighted grade calculation using composite assay intervals.
- o Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

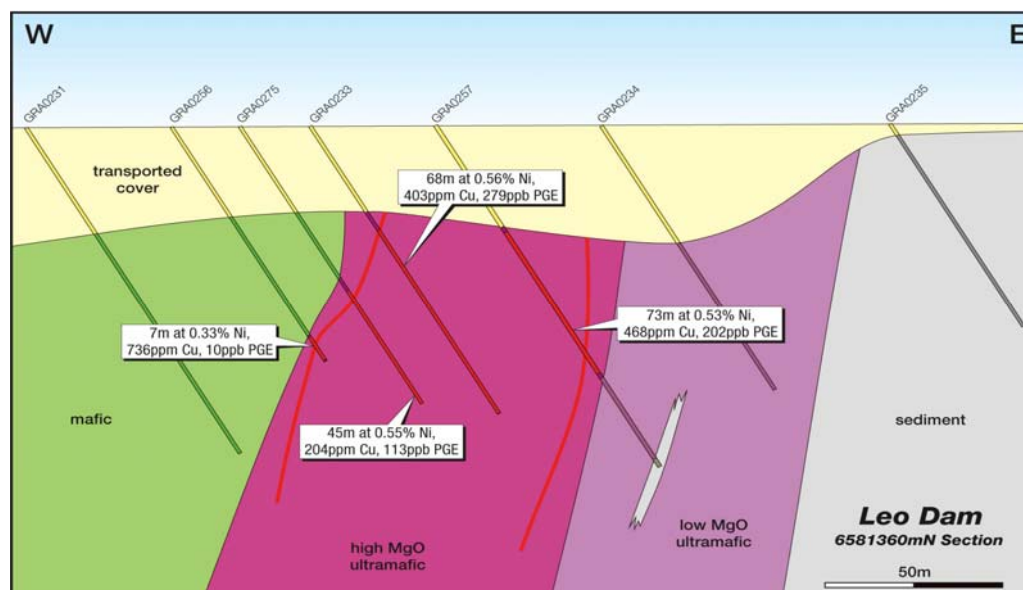


Figure 1. Geological cross section through the Leo Dam Prospect.

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David Crook is a Competent Person as defined by the 2004 JORC Code and is a member of the Australasian Institute of Mining and Metallurgy. He attests that this announcement is based on, and fairly and accurately reflects in the form and context in which it appears, the information in supporting documentation relating to Exploration Results.



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