



Jubilee Mines N.L.

Our Ref: 6-A-3

21 September 2004

The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

www.asxonline.com

Dear Sir

**RE: JUBILEE BUILDS STRATEGIC INTEREST IN EMU LAKE – ACRA
REGION**

We enclose herewith a copy of Media Announcement in relation to the above.

Yours faithfully

A handwritten signature in red ink, appearing to read "Kerry Harmanis", is written over a light blue rectangular stamp area.

KERRY HARMANIS
Executive Chairman

Encl.



Jubilee Mines N.L.

MEDIA RELEASE

TUESDAY, 21 SEPTEMBER 2004

JUBILEE BUILDS STRATEGIC INTEREST IN EMU LAKE – ACRA REGION

ACQUIRES SUBSTANTIAL SHAREHOLDING IN PIONEER NICKEL LIMITED

Jubilee Mines NL (**ASX: JBM**) has taken steps to consolidate its ground holdings around a second core area of interest with the conclusion late yesterday (Monday) of an agreement to accept a share and option package in Pioneer Nickel Limited and to enter into an exploration joint venture on the Acra project, adjacent to Jubilee's 60% owned Emu Lake high grade nickel sulphide project near Kalgoorlie in Western Australia.

The terms of the agreement with Pioneer Nickel include:

1. a cash payment of \$230,000 to Pioneer Nickel for reimbursement of past exploration expenditure;
2. Jubilee to manage a two-stage joint venture where it must initially spend \$3 million on exploration over three years to acquire a 60% interest in the project. A minimum of \$1.2 million must be expended before Jubilee has the right to withdraw.
3. Jubilee to have the right to move to a 75% ownership by paying a further \$200,000 in cash to Pioneer plus expending a further \$3.5 million on exploration over the next three years (extendable to four years);
4. Once Jubilee has earned its 75% interest Pioneer Nickel will be free carried to a decision to mine at which time a decision must be made to contribute to project development or sell its share to Jubilee.

In addition, Jubilee has agreed to acquire a total of 4.75 million ordinary shares in Pioneer Nickel for an investment of up to \$712,500, representing around 10% of the company on an undiluted basis and positioning Jubilee as Pioneer Nickel's second largest shareholder.

The acquisition will be made up of the purchase by Jubilee of 672,377 ordinary shares in Pioneer Nickel at up to 15 cents per share in unmarketable parcels held by shareholders of Heron Resources as part of a recent in-specie distribution. Further, Jubilee will subscribe for a placement of an additional 4,077,623 Pioneer Nickel shares with 3,750,000 attaching 25 cent 5-year options at a price of 15 cents per share and option, subject to the approval of Pioneer Nickel's shareholders. Jubilee will also be issued with a further 1 million 25 cent 5-year options in Pioneer Nickel for the \$200,000 cash payment on commencement of the second three year exploration phase.

Additionally, Jubilee will have the right to nominate a director to the Board of Pioneer Nickel, with this appointment expected to be announced shortly.



Jubilee Mines N.L.

Involvement in the Acra Project provides Jubilee with a dominant ownership position over a 140 kilometre strike length of a highly prospective ultramafic sequence that has been demonstrated to host high tenor nickel sulphides at a number of locations.

Recent work by Jubilee at its Emu Lake Project has identified high-grade massive sulphide mineralisation (up to 18% Ni), while work by Pioneer at and around the Acra Prospect, following up historical exploration, has confirmed the presence of widespread disseminated nickel sulphides. Little systematic nickel sulphide exploration has been completed throughout this extensive and highly prospective ultramafic sequence. The area represents an immediate opportunity to focus exploration for the discovery of high grade massive nickel sulphides on the largely untested basal contact, and within the adjacent footwall sequence.

Jubilee's Executive Chairman, Mr Kerry Harmanis said agreement with Pioneer Nickel was in line with the Company's focus on organic growth opportunities and represented a strategically important investment in an area considered very prospective for the discovery of high grade nickel sulphides, complementary to Jubilee's existing interests.

"We have considered a number of corporate and other opportunities in the nickel sector but concluded that these were too expensive and not value-accretive for shareholders at this time," he said. "As previously stated, we have therefore decided to focus on exploration and joint venture opportunities which can be advanced relatively quickly utilising the skills of our experienced exploration team and our strong cash flows".

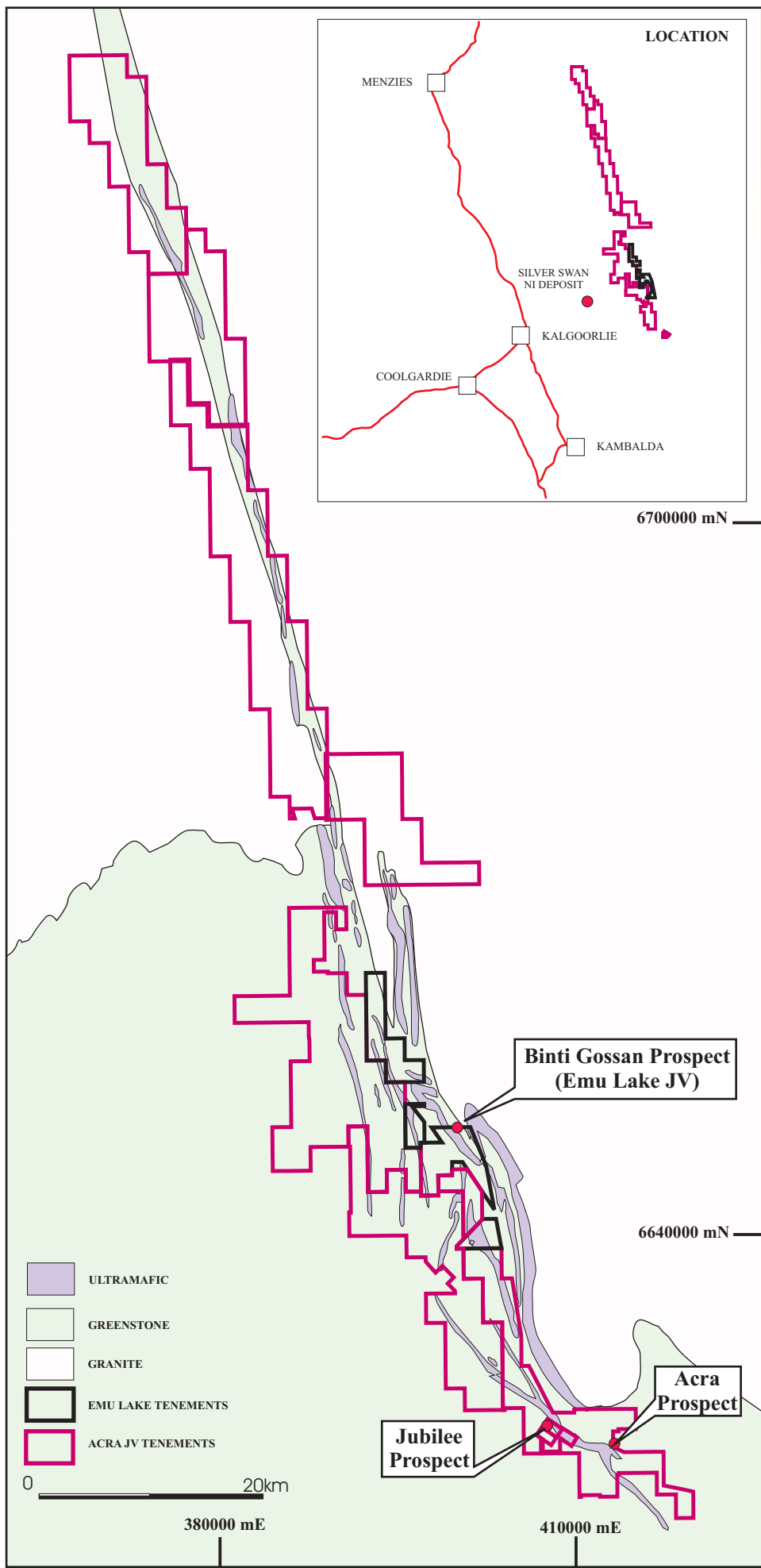
Mr Harmanis said the exploration joint venture with Pioneer Nickel was of considerable strategic importance given the location of the tenements in relation to Emu Lake and the fact that both massive and disseminated nickel sulphides had already been identified.

"Jubilee has built its success on discovering, developing and operating high grade massive sulphides at Cosmos which is uniquely high grade. The Emu Lake – Acra belt is of specific interest to us as it also contains particularly high grade massive sulphides. The Acra prospect itself provides us with an exciting focal point for our next phase of exploration and we will be moving forward with this immediately", he said.

- ENDS -

Released by:
Jan Hope / Nicholas Read
Jan Hope & Partners
Telephone: (08) 9388-1474

On behalf of:
Mr Kerry Harmanis
Executive Chairman
Jubilee Mines NL
Telephone: (08) 9213-1588
Web: www.jubileemines.com.au



LOCATION PLAN: EMU LAKE - ACRA REGION