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**By facsimile 1900 999 279**

Dear Sir/Madam

**DRILLING RESULTS FROM ACRA**

Pioneer Nickel Limited has completed a reconnaissance reverse circulation ("RC") drilling programme at its Acra project, located 80 kilometres east of Kalgoorlie, Western Australia.

The programme comprised four (4) drill holes totalling 1,014metres and was designed to provide for down hole electromagnetic surveys ("DHTEM") which will be completed later during January 2004.

Of the four holes drilled, three encountered disseminated magmatic sulphides over broad intercepts within a high MgO cumulate komatiite, consistent with Pioneer's modelling and confirming the high priority status afforded this project.

Assays from composite sampling have now been received, with significant results tabulated below.

<b>Acra Project: Reverse Circulation Drilling Significant Results</b>							
<b>Hole ID</b>	<b>North</b>	<b>East</b>	<b>Depth</b>	<b>Interval</b>	<b>Intercept</b>	<b>Ni</b>	<b>Cu</b>
	<b>(m)</b>	<b>(m)</b>	<b>(m)</b>	<b>(m)</b>	<b>(m)</b>	<b>(%)</b>	<b>(%)</b>
ARC015	21,828	3,656	303	224 to 240	16	0.65	0.049
ARC016	21,773	3,739	303	247 to 253	8	0.62	0.041
ARC017	21,880	3,571	303	201 to 226	25	0.60	0.038

NB The analyses reported here were undertaken by Kalgoorlie Assay Laboratories, Kalgoorlie using a 4 acid digest and ICP-OES determination.

In addition, Pioneer has completed a 1,000 station moving loop electromagnetic ("MLTEM") survey at Acra, which will facilitate the location and orientation of future drill hole programmes.

David Crook  
**Managing Director**

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a member of the Australasian Institute of Mining and Metallurgy and is a competent person 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.