

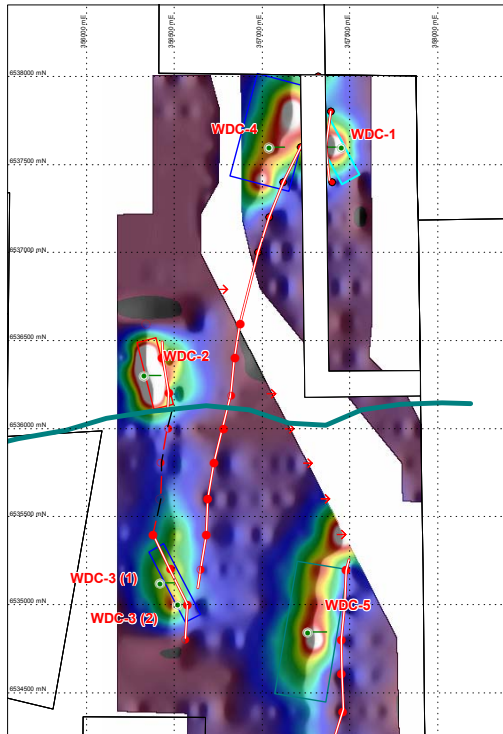
16 March 2004

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

Dear Sir / Madam

## DRILLING COMMENCES AT THE WATTLE DAM NICKEL SULPHIDE PROSPECT

Pioneer Nickel Limited reports the commencement today of reverse circulation drilling at its Wattle Dam project, located 20km SW of Kambalda, WA.



The drilling programme, the first on the tenements for nickel sulphide since the mid-1970s, will consist of 6 holes (totalling 1,040 metres) to appraise 5 targets, identified as WDC1-5. The drilling programme is estimated to take 10 days to complete.

Targets were generated during the current electromagnetic ("TEM") survey, due to be completed later this month.

Additional holes will be planned as further targets are resolved, and all holes completed will be surveyed by down-hole TEM.

Figure 1.  
TEM Channel 40 conductivity image showing interpretation and drill hole collar locations.

Yours sincerely

David Crook  
Managing Director