

29 November 2004

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

Dear Sir / Madam

Pioneer Nickel Limited ("Pioneer") is pleased to announce the following:

JUBILEE BECOMES A SUBSTANTIAL SHAREHOLDER IN PIONEER

Jubilee Mines NL ("Jubilee") and Pioneer have previously announced the formation of the Acra Joint Venture whereby Jubilee can earn up to a 75% interest in the joint venture by expending up to \$6.9 million. In addition to the terms of the Joint Venture, Jubilee agreed to subscribe for 4,077,623 ordinary shares at 15 cents each and 3.75m unlisted options in Pioneer by way of a placement, raising \$611,643.45. The issue of these securities received shareholder approval at the Pioneer Annual General Meeting held on 25 November 2004. Accordingly ASX Appendix 3B is attached.

This placement was completed today and Pioneer takes pleasure in welcoming Jubilee as a substantial shareholder with approximately 9.9% of Pioneer's current issued capital.

MR PETER LANGWORTHY APPOINTED TO THE PIONEER BOARD OF DIRECTORS

Mr Peter Langworthy has been appointed to the Board of Pioneer as a Non-Executive Director. Mr Langworthy is presently the General Manager – Exploration for Jubilee Mines NL where he has been responsible for focussing on exploration; and reserve and mine development. Mr Langworthy has had extensive experience in nickel sulphide exploration extending to regional exploration and operating mines. This experience was gained from 11 years with WMC Resources Ltd, which included being Geology Manager for the Leinster Nickel operation and prior to this was Exploration Manager for all nickel exploration in the Mount Keith Leinster belt for WMC.

Yours faithfully



David Crook
Managing Director

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

PIONEER NICKEL LIMITED

ABN

44 103 423 981

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (i) Ordinary Shares (ASX Code: "PIO")
(ii) Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 4,077,623 Ordinary Shares
(ii) 3,750,000 Unlisted Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) Ordinary shares will rank pari passu with the existing ordinary shares on issue.
(ii) Unlisted options have an exercise price of 25 cents each and expire on 28 November 2009. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(i) Yes</p> <p>(ii) Unlisted options represent a new class of securities.</p>				
<p>5 Issue price or consideration</p>	<p>(i) Ordinary shares issued at an issue price of 15 cents per share.</p> <p>(ii) Unlisted options issued for no consideration.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares and options issued following shareholder approval provided at the Company's AGM held on 25 November 2004. The placement was announced to the market on 21 September 2004 at the same time that the Company and Jubilee Mines NL ("Jubilee") entered into a joint venture arrangement whereby Jubilee can earn up to a 75% interest in the Company's Acra Project by expending up to \$6.9 million.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>29 November 2004.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1668 997 1713">Number</th> <th data-bbox="997 1668 1287 1713">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1713 997 1897">42,433,684</td> <td data-bbox="997 1713 1287 1897">Fully paid ordinary shares ("PIO")</td> </tr> </tbody> </table>	Number	+Class	42,433,684	Fully paid ordinary shares ("PIO")
Number	+Class				
42,433,684	Fully paid ordinary shares ("PIO")				

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<p>5,643,949</p> <p>Ordinary shares escrowed to 3/12/05</p> <p>5,600,000 options</p> <p>Exercisable at 25 cents each by 31/12/07 – escrowed to 3/12/05</p> <p>900,000 options</p> <p>Exercisable at 25 cents each by 31/12/07</p> <p>3,750,000 options</p> <p>Exercisable at 25 cents each by 28/11/09</p>

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends declared or paid.
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable

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New issue announcement

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their	Not applicable

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- entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

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Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	4,077,623 Ordinary Shares					
39	Class of +securities for which quotation is sought	Ordinary Shares					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Following shareholder approval to the placement provided at the Company's AGM held on 25 Nov 04.					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="710 1518 1013 1552">Number</th> <th data-bbox="1013 1518 1299 1552">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 1552 1013 1736">42,433,684</td> <td data-bbox="1013 1552 1299 1736">Ordinary Shares ("PIO")</td> </tr> </tbody> </table>	Number	+Class	42,433,684	Ordinary Shares ("PIO")	
Number	+Class						
42,433,684	Ordinary Shares ("PIO")						

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: **29 November 2004**
Company Secretary
Print name: **JULIE ANNE WOLSELEY**

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