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ASX/MEDIA ANNOUNCEMENT

FIRST DRILL PROGRAMME COMMENCES AT GOLDEN RIDGE JV

Pioneer Nickel (**ASX: PIO**) is pleased to advise that the first leg of a \$1 million nickel sulphide drilling campaign at its new Golden Ridge Joint Venture ("GRJV") has been fast-tracked and will commence today.

The recently announced joint venture with Australian Mines Limited (**ASX: AUZ**), gives Pioneer the right to earn up to 80% of the nickel and other non-gold metals at Golden Ridge, which covers more than 100 square kilometres of prospective nickel sulphide ground about 30 kilometres north of the world class Kambalda nickel district.

The drilling programme, which will initially focus on one of four first round targets identified as priorities during a recent project review by Pioneer (see Figure 1), has been made possible after a reverse circulation drilling rig became available earlier than anticipated.

The four targets include Anomaly SW, Anomaly 11, Blair South and Marshall's and lie within a seven kilometre radius of the operating Blair nickel mine. Drilling commenced today at Anomaly 20 SW, where seven holes will be drilled over the next fortnight for a total of 1600m.

Pioneer Nickel Managing Director David Crook said considering the size and prospectivity of the project, the opportunity to start drilling now was seized upon.

"At the project, anomalous nickel drill intercepts have been identified at more than a dozen locations. The drill programme, which commenced today, is the start of a push which will run over the next few months. About 5000m will initially be drilled into four targets where encouraging nickel sulphide mineralisation has already been confirmed by drilling and in some cases, untested off-hole EM conductors are present," Mr Crook said.

"From there, given some initial success, we hope to be in a position where we can spend an even larger amount on drilling at Golden Ridge and start defining resources," Mr Crook said.

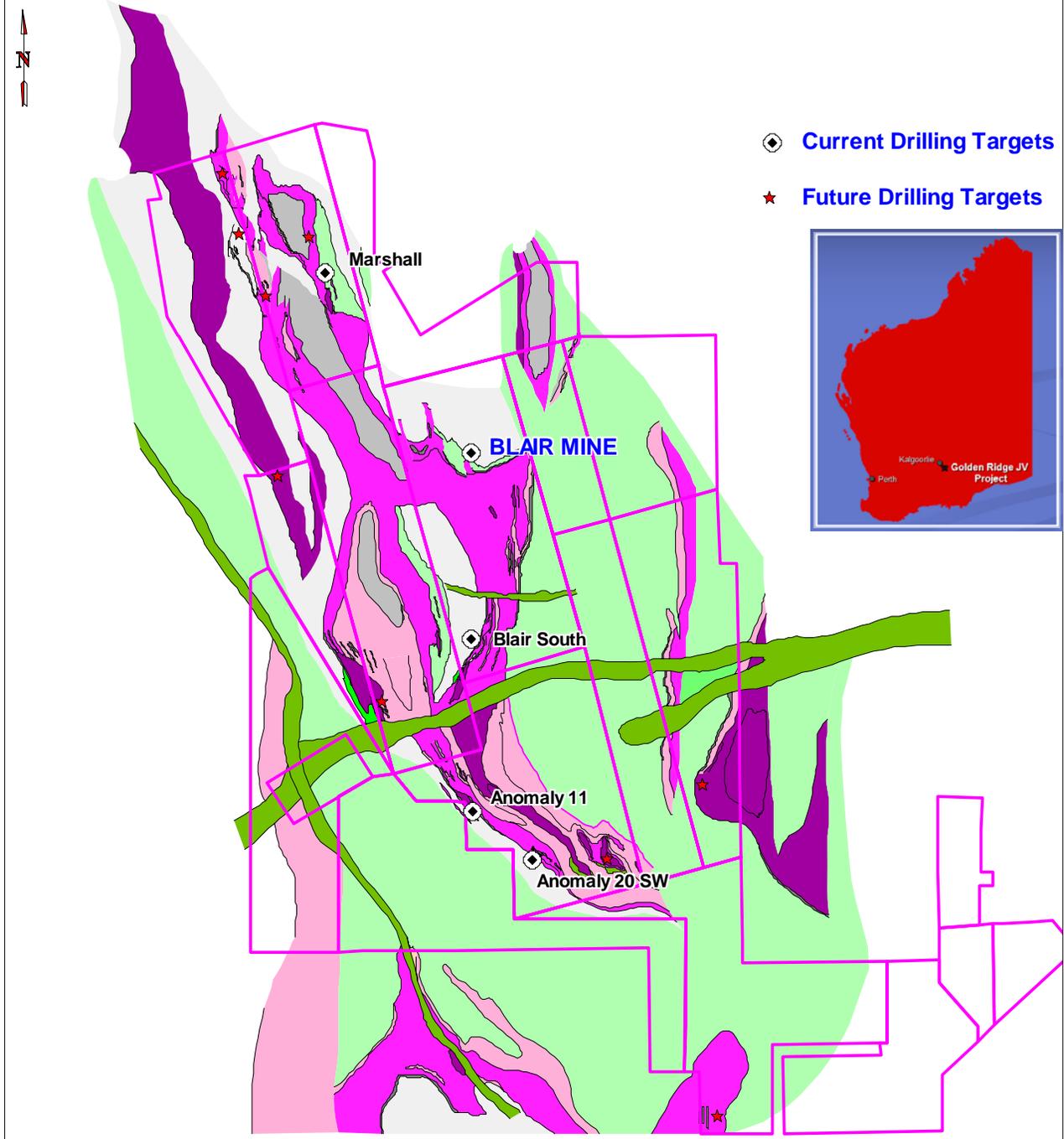
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Figure 1



- ◆ Current Drilling Targets
- ★ Future Drilling Targets

0 2 4
kilometres