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ASX/MEDIA ANNOUNCEMENT

PIONEER'S ACRA JV WITH XSTRATA DELIVERS NEW NICKEL INTERCEPTS

Pioneer Nickel Limited (ASX: PIO) is pleased to provide investors with an exploration update for the Company's Acra Joint Venture (Acra JV) with Xstrata Nickel Australasia, located approximately 80km E of Kalgoorlie, Western Australia.

Sir Samuel Mines NL, a wholly owned subsidiary of Xstrata PLC, currently holds a 60% interest and is earning up to a 75% interest in the Acra JV through sole funding exploration expenditure of \$3.5 million, while Pioneer has a 40% free-carried interest.

The JV partners today announced the first significant intercepts of disseminated nickel sulphide mineralisation from two prospects, Jubilee JSW Gossan and Jubilee West.

Pioneer's Managing Director, Mr David Crook, said that the Company has always held the Acra Project in the highest regard in respect of its prospectivity for nickel sulphide mineralisation.

"The Acra JV provides a dominant tenement position along the Emu Fault, covering a 140km length of highly prospective geological units," said Mr Crook. "Both high tenor massive and disseminated nickel sulphides have been identified at a number of locations."

Mr Crook went on to say that drilling has confirmed that, while complicated by folding, the southern ultramafic basal contact is prospective with nickel sulphide mineralisation identified at 3 prospects: Jubilee JSW Gossan, Jubilee West and Acra South, in addition to the original Acra Prospect.

Diamond drilling is continuing at the Jubilee West Prospect.

NICKEL SULPHIDE EXPLORATION

Drilling

Three prospects are being drilled at the Acra JV Project during the current campaign:

- **Jubilee-JSW Gossan Prospect**, targeting dip and strike extensions to the historic JSW gossan;
- **Jubilee West Prospect**, where a strong SQUID MTLEM anomaly is being drilled; and
- **Acra South Prospect** where drilling is testing near ACRC018 (7m at 0.83%Ni).

Disseminated nickel sulphide mineralisation was returned from drilling near the JSW Gossan prospect, including:

- JBRC021 **10m at 0.79% Ni and 446ppm Cu from 10m;**
 - including 2m at 1.38% Ni from 16m.
- JBRC028 **16m at 0.71% Ni and 292ppm Cu from 16m.**

and the Jubilee West Prospect

- JBRC029 **8m at 0.58% Ni and 174ppm Cu from 12 metres** (pre-collar);
- JBDD015 **4m at 0.75% Ni and 162ppm Cu from 24 metres,**

- ENDS -



**Table 1.
Drill Hole Collar Summary and Significant Nickel Results**

Hole ID	Dip	Azimuth	Easting (m)	Northing (m)	RC Depth (m)	Final Depth (m)	Results
Jubilee-JSW Gossan Prospect							
JBDD001	-61	214.5	409639.5	6622830	129.1	411.2	
JBDD002	-60	214.5	409684.3	6622664	105.5	291.2	
JBDD003	-59.3	215	409845	6622724	64	306.6	1.2m at 0.65%Ni, 0.03%Cu
JBDD004	-59.1	203.9	410041.6	6622767	75.5	339.2	3.0m at 0.56%Ni, 0.04%Cu
JBDD005	-60.1	212.6	410227.1	6622810	149.7	378.2	
JBDD006	-60.3	214.1	410143.7	6622686	150.2	311.8	Assays not received
JBDD007	-60	213.6	410249	6622735	84	381	
JBDD008	-61.2	219.6	409793	6622879	147.6	372.2	4.25m at 0.55%Ni
JBDD009	-59.1	217.9	410003.1	6622834	141.7	345.3	
JBDD010	-56	218.9	410088.4	6622693	65	348.4	Assays not received
JBDD011	-57.8	218.6	409867.9	6622827	150.8	398.6	Assays not received
JBDD012	-58.8	214.5	409920.5	6622815	130	130	Core not drilled yet
JBRC019	-62	214.5	409700.2	6622473	150	150	
JBRC020	-60	214.5	409739.1	6622593	200	200	
JBRC021	-61.5	214.5	409780.9	6622593	218	218	10m at 0.79%Ni, 0.04%Cu
JBRC022	-61.8	214.5	409617.4	6622529	150	150	
JBRC023	-61.8	214.5	409656.3	6622587	200	200	
JBRC024	-60	214.5	409698.1	6622649	220	220	
JBRC025	-57	214.5	409808.5	6622650	220	220	
JBRC026	-57	214.5	409961.9	6622787	230	230	Assays not received
JBRC027	-59	214.5	409795.1	6622719	219	219	Assays not received
JBRC028	-59	214.5	409974.1	6622538	180	180	16m at 0.71%Ni, 0.03%Cu
JBWB001	-90	0	409810.1	6622194	90	90	Water bore
JBWB002	-90	0	409582.1	6622056	78	78	Water bore
JBWB003	-90	0	409584.1	6622054	66	66	Water bore
Jubilee West Prospect							
Hole_ID	Dip	Azimuth	MGA_East	MGA_North	RC_Depth	Max_Depth	
JBDD013	-57	214.5	408917.2	6623473	100	100	Core not drilled yet
JBDD014	-67	214.5	408919.4	6623477	100	100	Core not drilled yet
JBDD015	-71	214.5	408688.3	6623492	100	100	4m at 0.75% Ni, 0.02%Cu
JBRC029	-59	214.5	408686.6	6623489	200	200	8m at 0.58%Ni, 0.02%Cu
Acra South Prospect							
Hole_ID	Dip	Azimuth	MGA_East	MGA_North	RC_Depth	Max_Depth	
ACDD009	-60	180	412436	6621117	99	99	Core not drilled yet
ACDD010	-60	180	412436	6621187	100	100	Core not drilled yet
ACRC029	-61.5	180	412736	6621212	213	213	Core not drilled yet
ACRC030	-65	180	412936	6621137	175	175	Core not drilled yet
ACRC031	-70	180	412236	6621157	143	143	Core not drilled yet



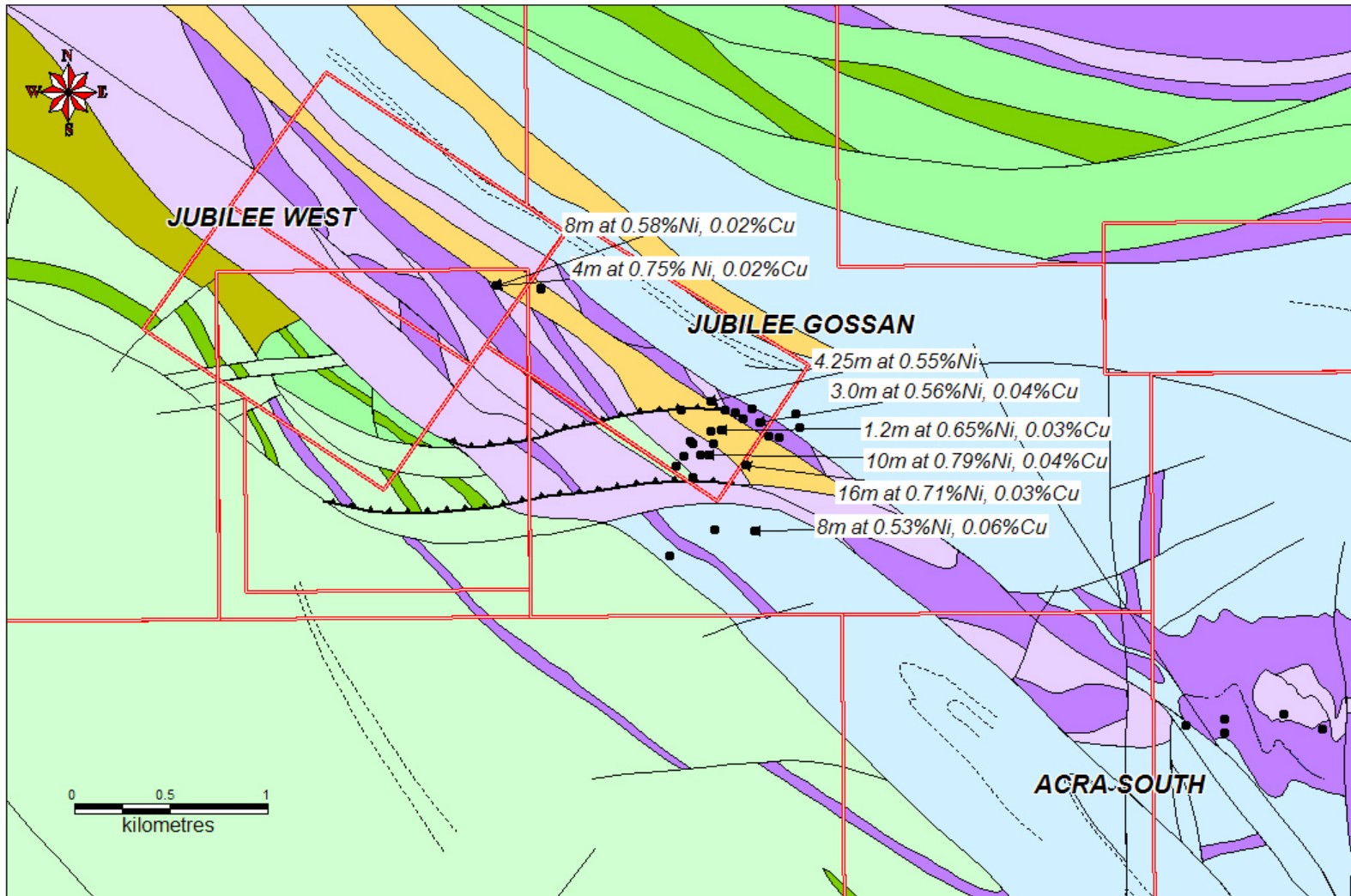


Figure 1: Acra Joint Venture Project. Current campaign drill hole location plan with significant nickel sulphide results.



For more information please contact:

David Crook
Pioneer Nickel
Managing Director
(08) 9322 6974

dcrook@pioneernickel.com.au

Ann Nahajski
Porter Novelli
(08) 9386 1233
0400 205 433

anahajski@wa.porternovelli.com.au

Web: www.pioneernickel.com.au

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook (which includes information provided by Xstrata Nickel Australasia) who is a full time employee of Pioneer Nickel Limited, is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AUSIMM, 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.

