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MEDIA RELEASE

31 MARCH 2005 QUARTERLY REPORT

29 April 2005

Pioneer Nickel Limited (ASX: PIO; Pioneer) today released its March quarterly report.

During the March quarter, Pioneer appointed Mr Reg Gillard as its new Chairman and completed three drilling programmes at its Acra, Wattle Dam and Pioneer Projects.

Pioneer Managing Director David Crook said that Pioneer was extremely privileged to have an experienced and respected executive like Mr Gillard join the Company as its new Chairman.

"We are delighted that Reg has agreed to join the Pioneer Board as Chairman," he said.

"Reg's business acumen and experience, both in Australia and internationally, will be a valuable asset to Pioneer during the next phase of our growth."

"Pioneer is now planning follow-up exploration programmes for targets at the Wattle Dam and Pioneer Projects which will be tested with further drilling in the coming quarter."

"Jubilee Mines NL, Pioneer's JV partner at the Acra Project, has already commenced an aggressive drilling programme following completion of preparatory exploration work and the identification of key targets."

"At our namesake Pioneer Prospect, we have intersected nickel sulphides with grades up to 0.45% Ni at the basal contact, and we will be further drill testing this prospect during the June quarter."

"At the Wattle Dam Project, the 1A South Prospect returned strong nickel sulphide indicators within a broad ultramafic channel. This is extremely encouraging as this is the exact geological environment where massive nickel sulphides are discovered and we will be drilling this target as a priority."

"We plan to announce further developments from each of these projects during the June quarter."

-ENDS-

For more information

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2005

Highlights – Operational

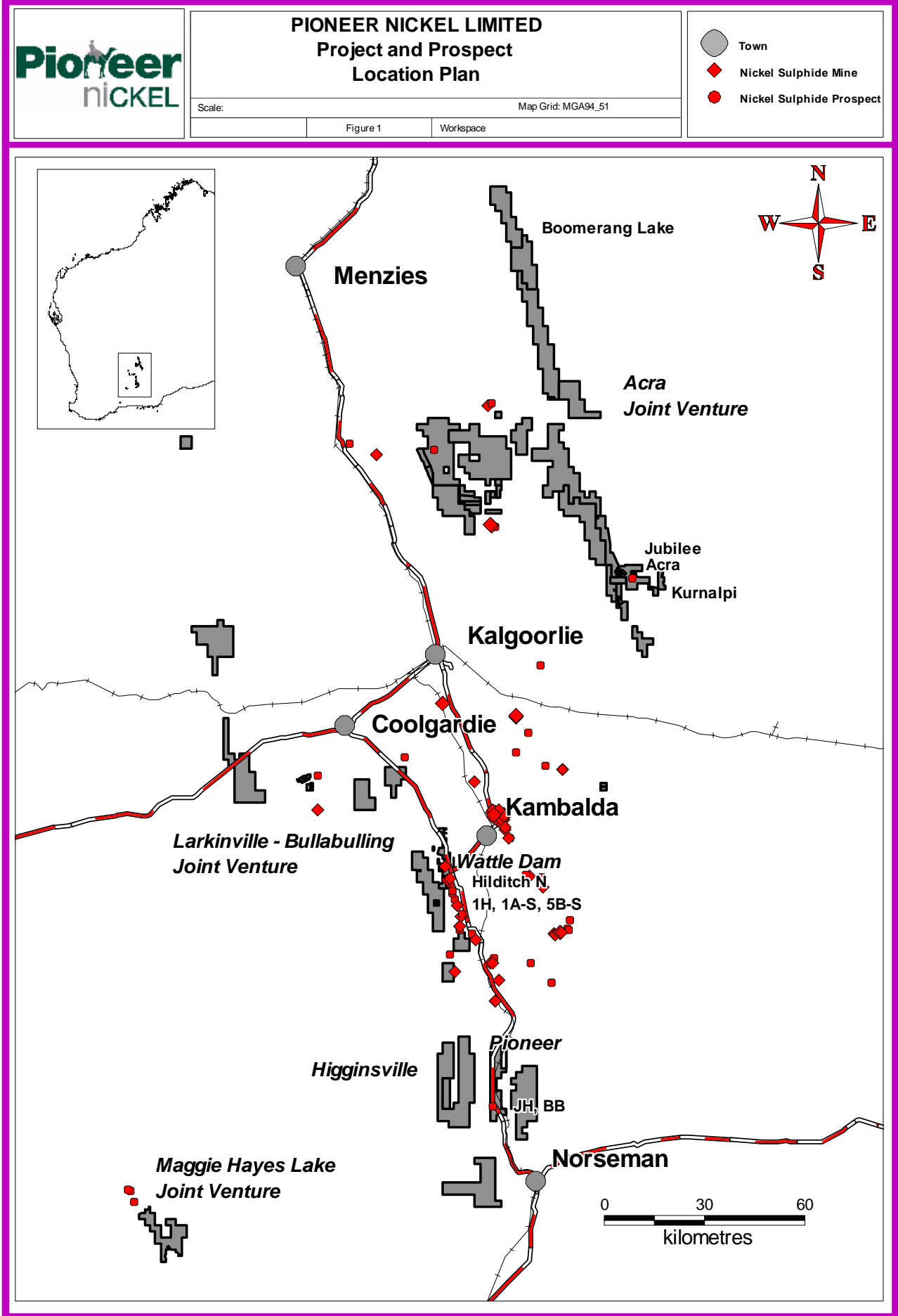
- Jubilee Mines NL **commenced further drilling** at the Acra Project
- Drilling at the Pioneer and Wattle Dam Projects totalled 4,985 metres in 50 drill holes
- Basal contact **nickel sulphide mineralisation with grades up to 0.45% Ni intersected** at Pioneer
- Anomalous **ultramafic channels identified** at two locations at Wattle Dam
- 1A South Prospect returned **strong nickel sulphide indicators**, within a broad ultramafic channel identifying the geological environment where massive nickel sulphides are found

Highlights – Corporate

- **Mr Reg Gillard** joined the Pioneer Board as Non-Executive Chairman
- Jubilee Investments NL **increased its holding in Pioneer to 13.5%** on-market
- Cash reserves of **\$2.4 million** and debt-free
- Further cash of **\$0.2 million** due under the Acra Joint Venture Agreement
- **Exercises option to acquire Lady of the Lake** nickel project for \$85,000 and 50,000 shares

Outlook for June Quarter

- **Further drilling and geophysical programmes at Acra**
- Complete **down-hole EM surveys at Wattle Dam and Pioneer**
- **Follow-up drilling at Wattle Dam and Pioneer**
- Target generation at Lady of the Lake prospects



1 ACRA PROJECT (including Jubilee and Boomerang Lake)

Sir Samuel Mines NL (“SSM”), a wholly subsidiary of Jubilee Mines NL, has the right to earn up to a 75% interest in the project through sole funding expenditure and payments of \$6.9 million

Acra is located 80km E of Kalgoorlie

SSM, manager of the Acra Joint Venture Project, has completed down-hole electromagnetic (“EM”) surveys, moving loop EM surveys, a gravity survey and rock chip sampling. Reverse circulation (“RC”) percussion drilling has now commenced following completion of preparatory exploration work and the identification of key targets.

Geochemistry

Rock chips and old drill spoil piles were sampled at the Jubilee Prospect, including from the JSW Gossan location. The samples confirmed the magmatic nickel sulphide origin of the JSW Gossan and also highlighted significant gold values in a number of samples.

A summary of the significant surface geochemical samples is included in Table 1.

Sample ID	Prospect	North (m)	East (m)	Ni (ppm)	Cu (ppm)	Pt+Pd (ppb)	Au (ppm)	Ag (ppm)	Comment
2028001	Jubilee	6,622,340	409,502	9,110	1,845	280	0.015		JSW Gossan
2028004	Jubilee	6,622,340	409,502	1,735	1,865	378	0.016		JSW Gossan
2029194	Jubilee	6,622,094	410,163	124	24	2	1.99	0.5	Cherty, siliceous
2029195	Jubilee	6,621,873	410,446	815	341	13	1.10	0.8	Ironstone

Geophysics

Seven of nine RC percussion holes drilled during November and December 2004 were surveyed by down-hole EM, resulting in the identification of one small off-hole anomaly in RC hole ACRC003.

A moving loop EM survey was completed over the ultramafic units between the Acra and Jubilee Prospects during the quarter and commenced over the area immediately south of the Acra Prospect during the quarter. Data is currently being evaluated.

A gravity survey was completed over the Acra Prospect during the quarter. The survey was implemented to aid the delineation of ultramafic units with a low magnetic response. The results of this work indicate the presence of significantly more ultramafic than previously defined.

Outlook – Reverse Circulation and Diamond Drilling

Eight diamond drill holes and six RC percussion holes are planned for the Jubilee and Acra Prospect areas. To date six RC pre-collars have been completed (1,023 metres) in preparation for diamond drilling.

2 PIONEER DOME PROJECT

The Pioneer Dome Project is located approximately 135km S of Kalgoorlie

Following the grant of a key exploration licence at Pioneer, surface exploration programmes including soil geochemistry, mapping and a detailed EM survey were completed ahead of this quarter's drilling.

Reverse Circulation and Diamond Drilling

Nickel sulphide mineralisation was intersected at the basal ultramafic contact in two of three RC holes and has been confirmed by preliminary assays. The new mineralisation is 50m down plunge from the nearest previous intercepts. Further assays are awaited.

Drilling this quarter consisted of 6 RC holes and one pre-collared diamond drill hole, testing for down plunge extensions to known nickel sulphide mineralisation and an EM conductor identified at the JH Prospect. 1,560m of RC and diamond drilling is complete. A summary of the significant results received from the 3 holes to date is shown in Table 2.

Hole ID	North (m)	East (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Cu (ppm)
PNR001	6,461,560	371,799	173	174	1	0.48	231
PNR002	6,461,400	371,859	90	94	4	0.45	182

Outlook – Geophysics

Two holes have had down-hole EM surveys completed to facilitate the targeting of additional drilling during the current programme. Other holes will be surveyed at the end of the drilling programme with the intention of defining further follow-up targets for drilling during the June quarter.

3 WATTLE DAM PROJECT

Wattle Dam is located 20km SW of Kambalda

Programmes of mapping, soil geochemistry and shallow drilling have focussed on the 1A South, 1H, IM and 5B South prospects. During the quarter these were further tested with drilling amounting to approximately 3,425 metres.

Soil Geochemistry and Mapping

A programme of mapping and sampling of 1970s trenches has provided information for cross sectional interpretations to complement recent drilling. Mapping confirmed the presence of highly magnesian ultramafic channel rocks at the 1A South prospect.

RAB and RC Drilling

Drill holes designed to test beneath anomalous nickel and copper intercepts from RAB drilling samples from 2004 have encountered strong nickel sulphide indicators.

Ultramafic channels have been identified, represented by wide intercepts of highly magnesian rocks similar to those of the Spargoville mine sequence, with elevated nickel, copper and sulphur assays. Table 3 shows the significant assays from this test drilling.

Hole ID	North (m)	East (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Cu (ppm)	Mg (%)
WRC015	6533400	356835	192	208	16	0.23	73	27
WRC017	6533600	356678	184	196	12	0.22	91	27
WRC018	6533700	356678	160	175	15	0.23	47	27

Outlook – Geophysics

Down hole EM surveys, which will test for the presence of conductors including nickel sulphide mineralisation, will be completed for the RC drill holes completed with the intention of defining further follow-up targets for drilling during the June quarter.

4 LADY OF THE LAKE

The Lady of the Lake Project is located immediately south of the Company's Acra nickel project

During the March quarter, Pioneer acquired a 100% interest in all non-gold mineral rights at the Lady of the Lake Project for \$85,000 cash and 50,000 shares in Pioneer.

The acquisition is consistent with the Company's perspective on the regional prospectivity of the ultramafic belts of the Kurnalpi district for nickel sulphide mineralisation.

The tenement package, of 53 square kilometres, contains a NNW trending suite of ultramafic, mafic and felsic volcanic rocks considered prospective for nickel sulphide and other base metal mineralisation.

Gossan, rock and auger sampling during the 1970s and 1990s also yielded results indicative of a VHMS base metal environment within the felsic volcanic units. Ironstone and gossan sampling at Olly Swamp returned up to 12.5% Zn and 1% Cu within a significant area of base metal anomalism.

5 HEAZLEWOOD AND WHYTE RIVER JOINT VENTURE PROJECT

Resource Finance and Investment Limited has the right to earn up to an 80% interest in the project through funding \$0.6 million of exploration expenditure

The Heazlewood and Whyte River Projects are located near Savage River, in north-western Tasmania

The Heazlewood district was the world's principal supplier of osmiridium, a platinum group metal alloy, during the 1800s and occurrences of nickel sulphides have been identified within the project.

Whyte River and nearby Rocky River were the scene of alluvial gold mining prior to 1900. In addition to gold, the project is prospective for Savage River-style iron deposits.

Pioneer has agreed to an option to farm-in to the Heazlewood and Whyte River tenements by Resource Finance and Investments Limited (RFI), a forthcoming public listing scheduled for later this year.

Following the option period, RFI may earn up to 80% equity in the tenements by the expenditure of \$600,000 on exploration.

If Pioneer's equity falls to 10% or less its equity interest will automatically convert to a 2% Net Smelter Return royalty. The agreement is subject to the listing of RFI on ASX.

6 NEW SOUTH WALES

Pioneer's gold projects are located in the Lachlan Fold Belt in Central NSW

Rock samples from mullock and face samples collected by Pioneer and an earlier property developer confirmed significant, and in some cases very high grade, gold mineralisation present.

Mongarlowe

The southern project area has 4 deposits which were mined to the water table. These are apparently part of a single, 1km strike-length system, with historical production grading in the order of 15g/t (0.5 oz/ton). The host shale is sheared and silicified.

Dalton

The Dalton Mine comprises 3 adits and shafts that occur over 100m of strike, accessing a sheared, silicified shale. Historic records suggest production from the Dalton mine exceeded 1oz/tonne.

Muttama

The workings access quartz reefs in granodiorite. The main Muttama site and the New Year's Gift site were visited during the quarter. Both have reasonable drilling rig access and there are possibly some drill reports for the New Year's Gift.

Table 4 below shows the assay results from rock chip samples taken from Pioneer's New South Wales projects.

Table 4			
Assay Results From Rock Samples From NSW Projects			
Sample ID	LeaseID	Comments	Au (ppm)
ARC19106	E6306	Mongarlowe1 (Alma Mine)	1.92
ARC19107	E6306	Mongarlowe 2 (Alma Mine)	2.99
ARC19108	E6306	Mongarlowe 3 (Alma Mine)	35.8
ARC19109	E6306	Mongarlowe 4 (Alma Mine)	2.13
ARC19111	E6306	Mongarlowe 5 (Alma Mine)	123
ARC19112	E6306	Mongarlowe 6 (Alma Mine)	2.03
ARC19114	E6308	Muttama 2 (New Years Gift)	11.9
ARC19116	E6308	Muttama 7 (Muttama)	3.14
ARC19128	E6307	Dalton Mine1	1,630
ARC19129	E6307	Dalton Mine2	1,700
ARC19130	E6306	Mongarlowe 7 (Alma Mine)	5.14

7 BOARD CHANGES

Mr Reg Gillard joined the Pioneer Board as Non-Executive Chairman on 17 March 2005, replacing Mr Craig Readhead.

Mr Gillard is an accountant and corporate advisor with a successful track record in the identification and evaluation of resource project opportunities in Australia and overseas.

Mr Gillard has had extensive experience in the successful acquisition and international funding of a number of resource projects particularly in developing countries for Australian and international companies and will be a valuable addition to the Pioneer Board.

8 SUBSTANTIAL SHAREHOLDING

During the quarter, Jubilee Investments NL increased its substantial shareholding in Pioneer to 13.5% through the acquisition of further shares on-market.

9 WORKING CAPITAL

As at 31 March 2005, the Company had cash reserves of \$2.4 million with no debt.

In accordance with the Acra Joint Venture Agreement, Pioneer is due to receive an additional \$0.23 million in cash from Sir Samuel Mines NL (a wholly owned subsidiary of Jubilee Mines NL) during the June quarter.



Managing Director

Other than for the Acra Project, 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.

Information of a geophysical nature is based on work completed by W.S. Peters of Southern Geoscience Consultants. This person consents to the inclusion of information in the form and context in which it appears in this report.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PIONEER NICKEL LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

31 MARCH 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(290)	(1,209)
(b) development	-	-
(c) production	-	-
(d) administration	(196)	(485)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	44	107
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(442)	(1,587)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(100)
(c) other fixed assets	(11)	(39)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payments for tenement bonds	-	(30)
Net investing cash flows	(11)	(169)
1.13 Total operating and investing cash flows (carried forward)	(453)	(1,756)

1.13	Total operating and investing cash flows (brought forward)	(453)	(1,756)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	611
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Proceeds from the sale of unmarketable shareholdings	-	153
	Payments to unmarketable holders	-	(153)
	Net financing cash flows	-	611
	Net increase (decrease) in cash held	(453)	(1,145)
1.20	Cash at beginning of quarter/year to date	2,815	3,507
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,362	2,362

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$83
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Within item 1.2

- (i) Managing Director and Non-Executive Directors' remuneration - \$72k
- (ii) Legal consultancy fees paid to Pullinger Readhead Lucas an entity related to CL Readhead - \$3k
- (iii) Office rental expenses paid to an entity related to IJ Buchhorn- \$8k

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	NIL
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	69	56
5.2 Deposits at call	2,293	2,759
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,362	2,815

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			
	E24/141	Registered Applicant	0	100
	E28/1535	Registered Applicant	0	100
	P27/1672	Registered Applicant	0	100

Rule 5.3

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 + Ordinary securities Ordinary Shares (PIO)	48,127,633	42,483,684		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000 -	50,000 -	20 cents	Fully paid
7.5 + Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Unlisted options (PIOAK) Unlisted options (PIOAK) Unlisted options (PIOAO)	3,500,000 3,500,000 3,750,000	- - -	<i>Exercise price</i> 25 cents each 25 cents each 25 cents each	<i>Expiry date</i> 31 Dec 2007 31 Dec 2007 28 Nov 2009
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 22 April 2005
Company Secretary

Print name: JULIE-ANNE WOLSELEY

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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