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MEDIA RELEASE
30 JUNE 2005 QUARTERLY REPORT

26 July 2005

Pioneer Nickel Limited "Pioneer" (ASX: PIO) has today released its summary of activities for the quarter ending 30 June 2005.

Pioneer Managing Director David Crook said the recent quarter had been a busy and important period for the Company.

The quarter featured drilling and geophysical programmes at Pioneer's prospective Acra Joint Venture Project, 80 kilometres east of Kalgoorlie; and geophysical programmes at the Wattle Dam and Pioneer Projects 55 km south west and 155 km south east of Kalgoorlie respectively. In addition to its continued nickel exploration Pioneer also entered into a joint venture with Galaxy Resources Limited to explore for high grade copper and gold mineralisation on tenements near Ravensthorpe, Western Australia.

Drilling at Acra, conducted by joint venture partner Jubilee Mines NL, intersected multiple horizons of disseminated sulphide mineralisation within the targeted ultramafic sequence. Further diamond and reverse circulation drilling is planned for the Acra Prospect and surrounding area.

"The drill core generated has hugely improved our knowledge of the complex geology at Acra and provided very positive signs for work going forward," Mr Crook said.

Compilation of drilling results at Pioneer's Wattle Dam and Pioneer Projects during the quarter also provided encouraging results.

At Wattle Dam nickel sulphides were intersected at a fresh basal contact surface at the 1A North Prospect and a down-hole EM conductor identified along strike at the 1A South Prospect. A high priority drill programme is planned for the September quarter to test these results.

At Pioneer, drilling intersected nickel sulphides within an ultramafic channel at the JH Prospect, with additional drilling confirming the position of mineralised channel flanks.

Mr Crook said that while exploration results from Wattle Dam and Pioneer have been very positive and will continue to be the focus for a new nickel sulphide discovery, the addition of the Ravensthorpe Copper-Gold Project adds commodity diversity and increases the potential for an early cash flow.

"Pioneer has been actively looking for an advanced exploration project since entering into the Acra Joint Venture with Jubilee," he said.

The Ravensthorpe district has a long history of copper and gold production. From 1897 to 1971 the district produced nearly 50 per cent of Western Australia's copper. The most significant producing mines in the district included the Elverdton, Mt Desmond, Mt Cattlin and Marion Martin mines, all of which occur within the Ravensthorpe Joint Venture tenements.

-ENDS-



QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2005.

Key Achievements

- Nickel sulphide mineralisation intersected on the basal contact at the Wattle Dam 1A North Prospect and an off-hole electromagnetic ("EM") conductor located along strike at 1A South Prospect;
- Agreement reached to farm into the Ravensthorpe Copper-Gold Joint Venture Project with Galaxy Resources Limited;
- A total of 3,363 metres of reverse circulation and diamond drilling completed at the Acra JV Project by Jubilee Mines NL, intersecting multiple sulphide horizons;
- Surface EM surveys identify two further targets at the Acra JV Project; and
- Mineralised ultramafic channel intersected at Pioneer JH Prospect.

Key Objectives September 2005 Quarter

- 1,000m of drilling proposed, targeting basal contact positions at the Wattle Dam Project;
- 800m of drilling proposed for the Pioneer JH Prospect targeting down-plunge mineralisation;
- Drilling and geophysical programmes to continue at the Acra JV Project; and
- Complete negotiating a mining lease access agreement with various stakeholders for the Ravensthorpe Copper-Gold JV Project.

Corporate

The Company increased its holding in Galaxy Resources Limited ("Galaxy") to 7% through a subscription for shares and options for \$100,000.

During August 2005 Pioneer Board members will make presentations in Perth, Sydney, Melbourne, Adelaide and Kalgoorlie to brokers, media personnel, shareholders and others interested. For further information please contact Linda White on (08) 9091 6974.

Working Capital

As at 30 June 2005 the Company had cash reserves of \$1.63 million and is debt free.

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.) subject to the completion of a Deed of Covenant with Heron Resources Limited to protect Heron's right to nickel laterite ore from the Acra Project.

For more information

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PIONEER NICKEL LIMITED Project and Prospect Location Plan

Scale: _____ Map Grid: MGA94_51
Figure 1 Workspace

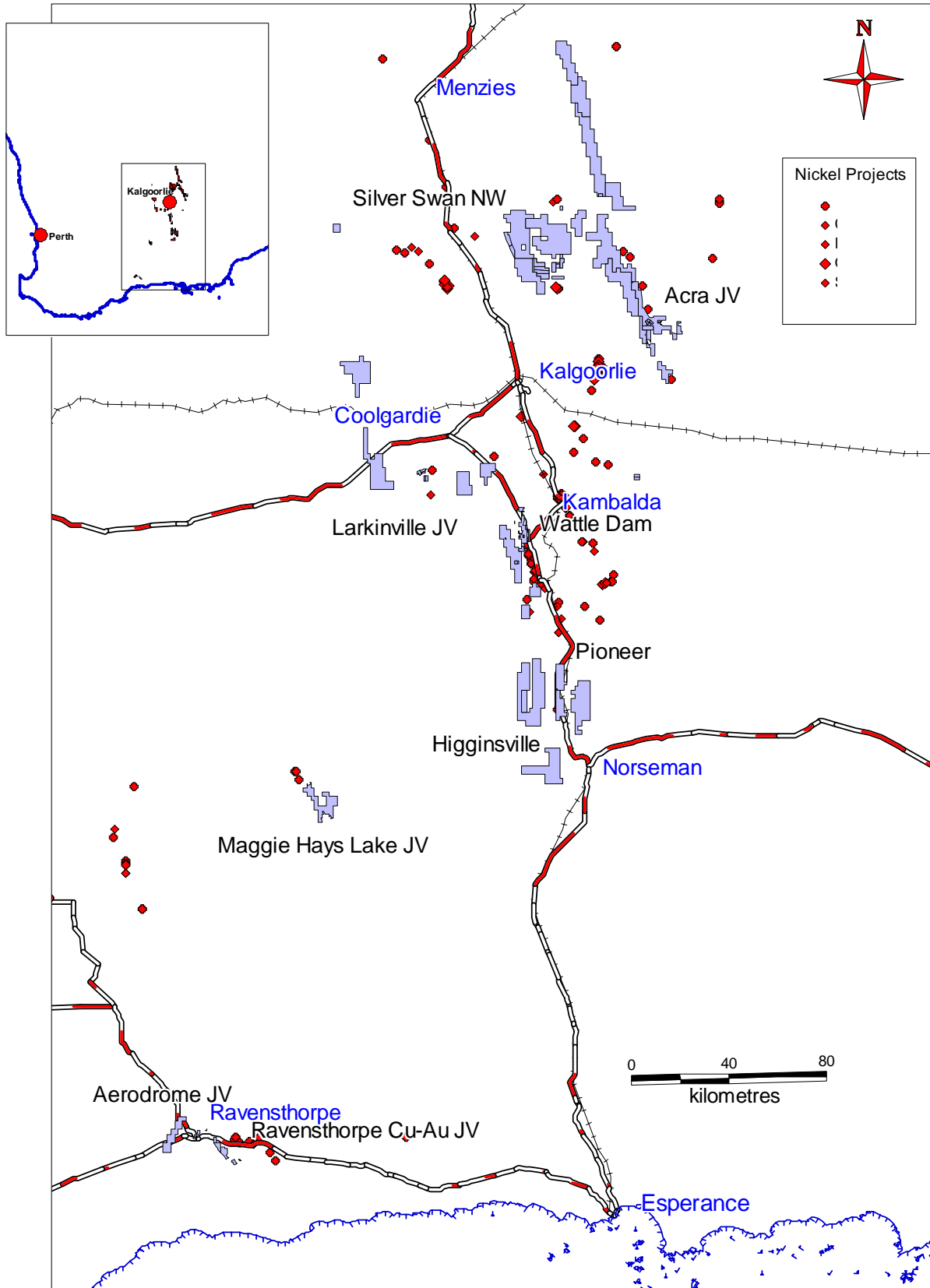


Figure 2

Figure 3

Figure 4

Figure 5

