



QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2005.

Key Achievements:

Pioneer Dome Project (125km south east of Kalgoorlie)

- **Massive Nickel Sulphide** Intersected within a zone of network and disseminated mineralisation in ultramafic rock. The intercept included:
3m at 4.0% Ni and 0.21% Cu and 1.5g/t Pt + Pd; from within a broader zone of **5m of 2.6% Ni and 0.14% Cu;** and
- 790m of reverse circulation ("RC") and diamond drilling completed.

Acra JV Project (80km east of Kalgoorlie)

- 2,888m of RC and diamond drilling completed;
- Intersections of multiple nickel sulphide horizons from diamond core, including:
9.75m at 0.57% Ni from 306m; and
16m at 0.51% Ni from 331m;
- Geochemical and Geophysical surveys have identified further targets; and
- A narrow zone of massive sulphide mineralisation was intersected in a basal contact position.

Wattle Dam Project (55km south west of Kalgoorlie)

- 699m of RC drilling completed.

Maggie Hays Lake JV Project (220km south west of Kalgoorlie)

- Geophysical surveys generate a nickel sulphide drill target along strike from Maggie Hays Mine.

Key Objectives December 2005 Quarter

- Completion of diamond drill holes targeting basal contact positions at the Wattle Dam Project;
- Diamond drilling at the JH Project to further test the newly identified E1 surface;
- Diamond drilling at the Maggie Hays Lake Project to test the EM target; and
- Drilling and geophysical programmes to continue at the Acra JV Project.

Corporate

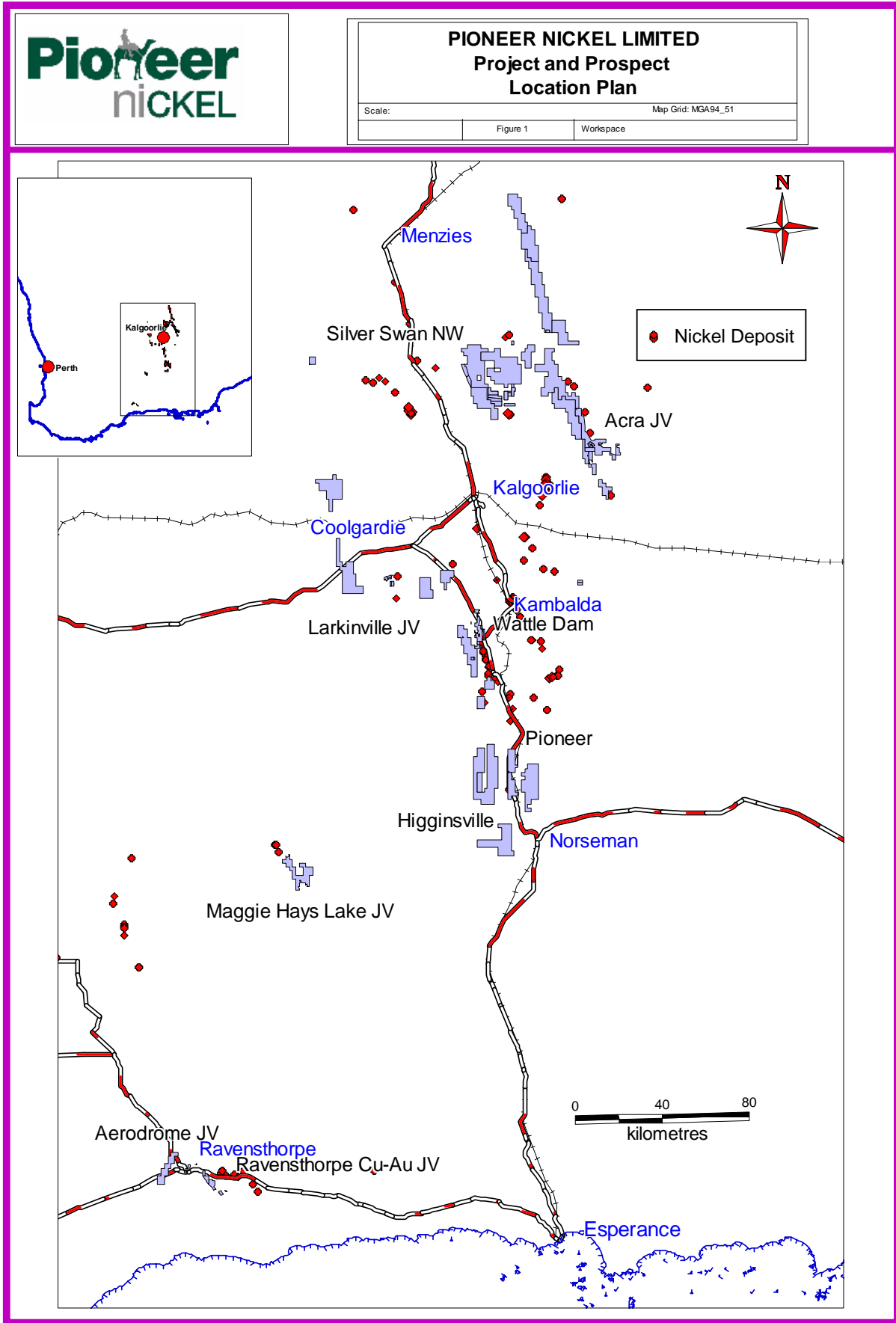
As at 30 September 2005 the Company had cash and receivables of \$2.6 million and no debt.

During the quarter the Company placed 7,171,875 ordinary shares at an issue price of 16 cents per share to Jubilee Mines NL and to sophisticated investors. The placements raised \$1,147,500 (before issue costs).

Following completion of the placement Jubilee holds a total of 9,629,329 ordinary shares or 17.4% of the Company's issued capital. Jubilee remains the Company's largest shareholder.

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.

The Company has continued its process of analysis of local and international projects that could result in the acquisition of an early cash flow project.



1 PIONEER DOME PROJECT

- The Pioneer Dome Project is located approximately 125km S of Kalgoorlie, WA
- Pioneer controls 100 per cent

A previously unrecognised nickel sulphide-bearing surface has been identified at the Pioneer Project. Drilling has returned **3m at 4.0% Ni, 0.21% Cu** (from within a 6m zone of 2.6% Ni), with elevated Pt + Pd, up to **1m at 3.96g/t**, associated with the nickel sulphides.

The Pioneer Project is located approximately 30km north of Norseman. The discovery intersection is the best nickel sulphide intercept reported from the Pioneer Dome to date. Down-hole EM surveys are underway with further drilling scheduled to follow. Results will be announced as they are received.

Reverse Circulation and Diamond Drilling

The high grade nickel intercept occurs internally within the Eastern Ultramafic Unit. This is in addition to the mineralised JH surface at the basal contact of the Central Ultramafic Unit (refer to Figure 2). It is likely that the sulphides located on the E1 surface are remobilised from a primary contact position nearby.

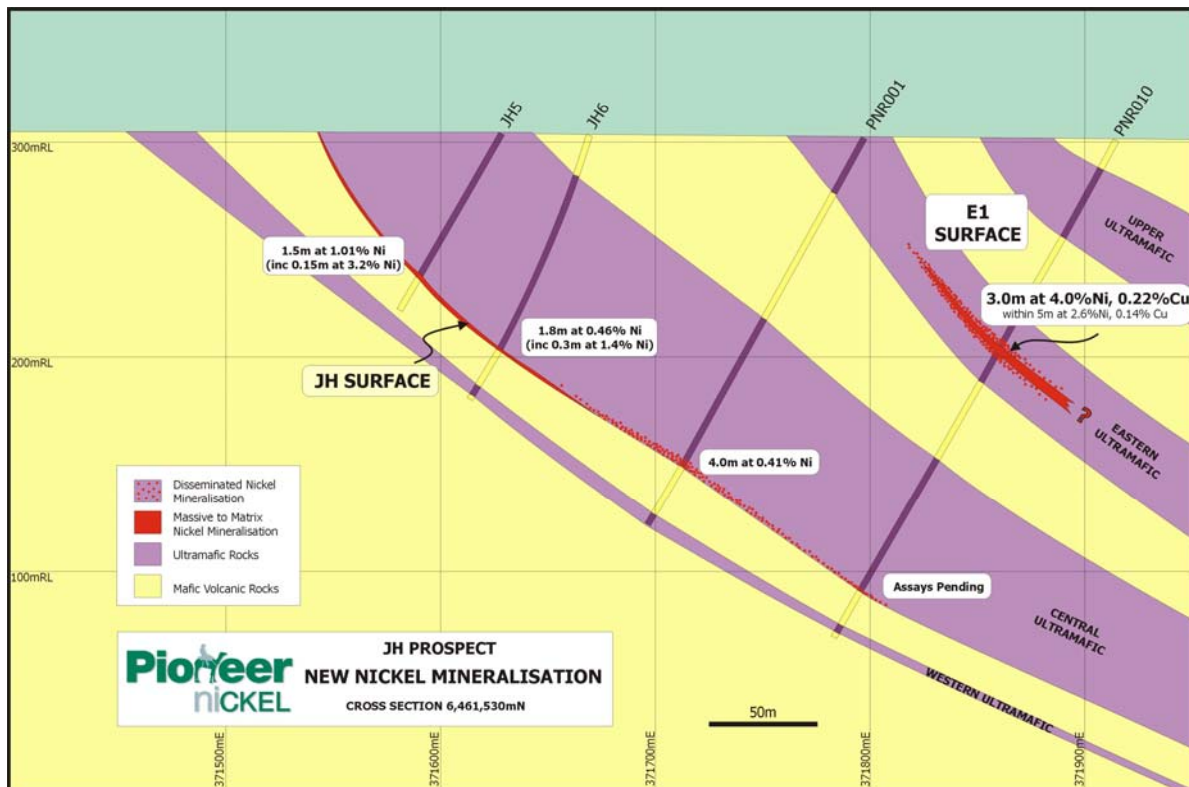


Figure 2. Cross section showing the location of the E1 surface with respect to the JH mineralisation.

Hole ID	North	East	From	To	Intercept	Ni	Cu	Pt	Pd
	GDA_(m)	GDA_(m)	(m)	(m)	(m)	(%)	(%)	ppb	ppb
PNR010	6,461,528	371,909	105	110	5	2.6	0.14	751	256
including			106	109	3	4.0	0.21	1,244	301
PNR011	6,461,480	371,910	105	114	9	0.57	0.03	na	na
Including			105	108	3	0.76	0.05	na	na

Mineralisation was tested for with three drill holes, which intersected massive and network nickel sulphides within the Eastern Ultramafic Unit, as well as minor sulphide mineralisation at the basal Central Ultramafic (JH) contact. Presuming that mineralisation is concordant with stratigraphy, the newly identified **E1 Surface** may correlate with other intersections along strike including **2m at 0.87% and 3m at 0.76% Ni**.

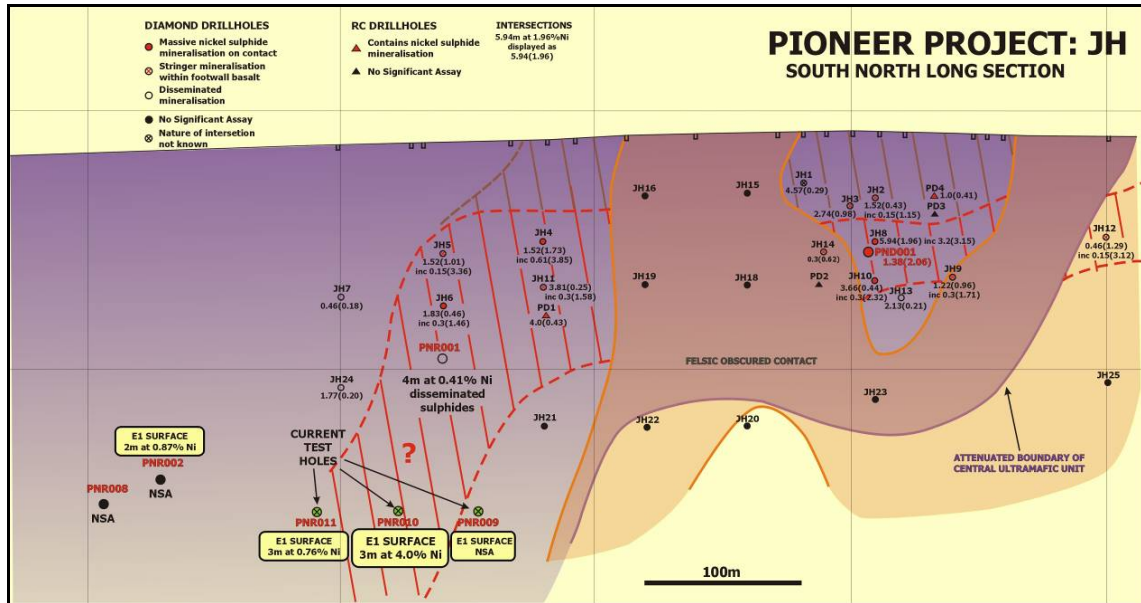
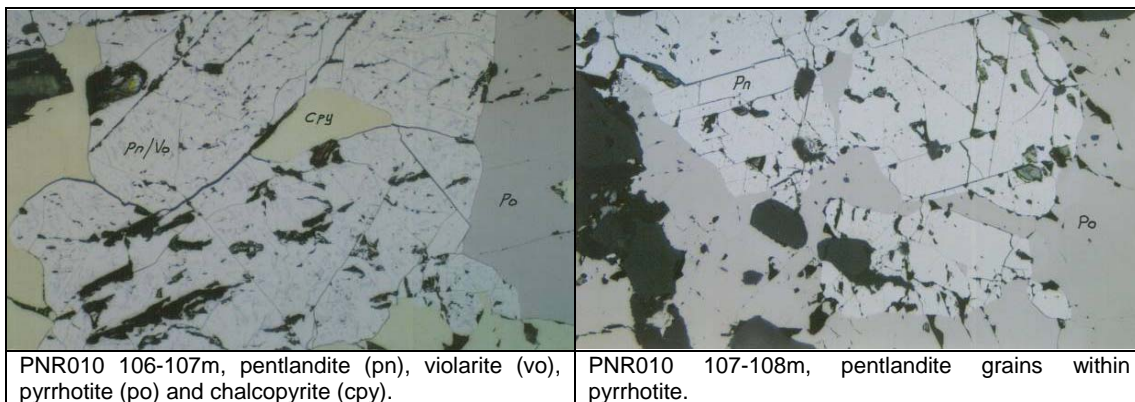


Figure 3. Longitudinal section showing the location of recent drill hole target positions. The E1 surface, which has been intersected in some drill holes only, sits above the JH surface. (refer Figure 2).

The E1 mineralised surface is not drill-tested below the latest mineralised intersection. Down hole TEM is in progress with further drilling planned to test the E1 surface down plunge.

Petrography

Polished sections of mineralisation reveal that pentlandite is the main nickel-containing sulphide mineral present. Pentlandite is hosted with pyrrhotite (an iron sulphide) and lesser amounts of chalcopyrite (Iron-copper sulphide).



Outlook

Diamond drilling, followed by down-hole EM surveys, will be completed, with further drilling contingent on results.

- Assays were completed by Genalysis Laboratory Services using a 4 acid digest and ICP-OES finish. Assays were checked by Kalassay Group using 4 acid digest and ICP-OES finish; and by XRF.
- Assuming mineralisation dips with concordant geological units, intercepts will approximate true thickness.

2 ACRA PROJECT (Including Jubilee and Boomerang Lake)

- *Acra is located 80km E of Kalgoorlie, WA*
- *Sir Samuel Mines NL, a wholly owned subsidiary of Jubilee Mines NL, has the right to earn up to a 75% interest in the project through cash and sole funding exploration expenditure totalling \$6.9 million*

The Acra JV Project provides a dominant tenement position covering a 140km strike of a highly prospective ultramafic sequence that has been demonstrated to host both high tenor massive and disseminated nickel sulphides at a number of locations. The project is also considered prospective for gold and base metals.

Exploration activities for the quarter included diamond drilling and down-hole EM surveys at the Acra Prospect, completion of two extensive surface geochemical sampling programmes, sampling of historical RAB holes and a programme of RC drilling at the Jubilee Prospect. An RC drilling programme has commenced targeting the southern ultramafic contact at the Acra Prospect.

Geophysics

Surface geochemistry and moving loop EM surveys have in-filled and extended earlier Pioneer surveys. The EM survey has highlighted areas for further work in the Jubilee and Acra Prospect areas.

Geochemistry

At the Jubilee Prospect, soil sampling and historical RAB hole re-sampling programmes have better defined a strongly anomalous, coincident Ni-Cu-PGE zone over a strike length of 2 kilometres. The best result from the RAB hole re-sampling programme was 1.19% Ni and 0.08% Cu, from approximately 150 metres along strike from the Jubilee gossan location. Results, considered highly anomalous, are summarised in Table 2.

North	East	Ni	Cu
AMG_(m)	AMG_(m)	(%)	(%)
6,622,369	409,634	0.49	0.06
6,622,383	409,645	0.51	0.05
6,622,408	409,655	1.19	0.08
6,622,342	409,851	0.54	0.02

Programmes of surface geochemical soil sampling have been undertaken across the wider Acra Project over a series of targets defined from airborne magnetic data and ultramafic rock trends. Results of this work will be available next quarter.

Reverse Circulation Drilling

RC drilling totalling 9 holes for 2,213 metres has been completed at the **Jubilee Prospect**, with assays returned for two holes to date. Anomalous results are summarised in Table 3.

Hole ID	North	East	From	To	Intercept	Ni	Cu
	AMG_(m)	AMG_(m)	(m)	(m)	(m)	(%)	(%)
JBRC004	6,622,524	409,492	40	54	14	0.33	0.01
JBRC006	6,622,455	409,582	22	25	3	0.29	0.06

An RC drilling programme has also commenced at the **Acra Prospect** with two holes (ACRC016 and ACRC017) completed to date for 675 metres. Within ACRC016, a zone of sulphide mineralisation was intersected within a 1 metre interval approximately 280 metres down hole, interpreted to be on the southern-most ultramafic-volcanic basal contact at Acra. A geological estimate suggests that 10% of the sample was made up of sulphide minerals. Assay results for these holes are pending.

Diamond Drilling

Diamond drilling was completed for the Acra Prospect and down hole EM surveys undertaken. This programme has provided very good geological controls for ongoing exploration, confirming the facing direction of the ultramafic rocks and the presence of multiple, structural repeats of the prospective basal contact.

Hole ID	North	East	From	To	Intercept	Ni	Cu
	AMG_(m)	AMG_(m)	(m)	(m)	(m)	(%)	(%)
ACDD003	6,621,879	413,198	306	315.75	9.75	0.57	0.03
ACDD005	6,621,878	413,398	331	347	16	0.51	0.02

Outlook

Further Diamond and RC drill holes are planned for the Jubilee and Acra Prospect areas.

3 WATTLE DAM PROJECT

- *Wattle Dam is located 20km SW of Kambalda*
- *Pioneer controls 100 per cent of minerals, excluding gold and tantalum.*

Reverse Circulation Drilling

Two RC holes and two RC pre-collars were drilled at the Wattle Dam Project totalling 699m. Holes were designed to test targets at the 1M (Hilditch), 1H and 1A South Prospects. The two pre-collared holes require diamond core extensions to test the nominated targets.

One RC hole was drilled at **1M** to test for a continuation of a prospective horizon extending from the Hilditch Prospect (Ramelius Resources Limited - 1m at 3.9% Ni) onto Pioneer's lease. Several metres of sulphides anomalous in nickel were intersected, including **1m at 0.42% Ni**. No off hole conductor was detected.

One RC hole was drilled at the **1H** Prospect to further test an intercept of **1m at 0.64% Ni and 2.20% Cu**. No significant assay or EM conductor was detected in this hole. A second hole has had its pre-collar completed in preparation for diamond drilling.

A second pre-collar has been prepared for diamond drilling at the **1A South** Prospect.

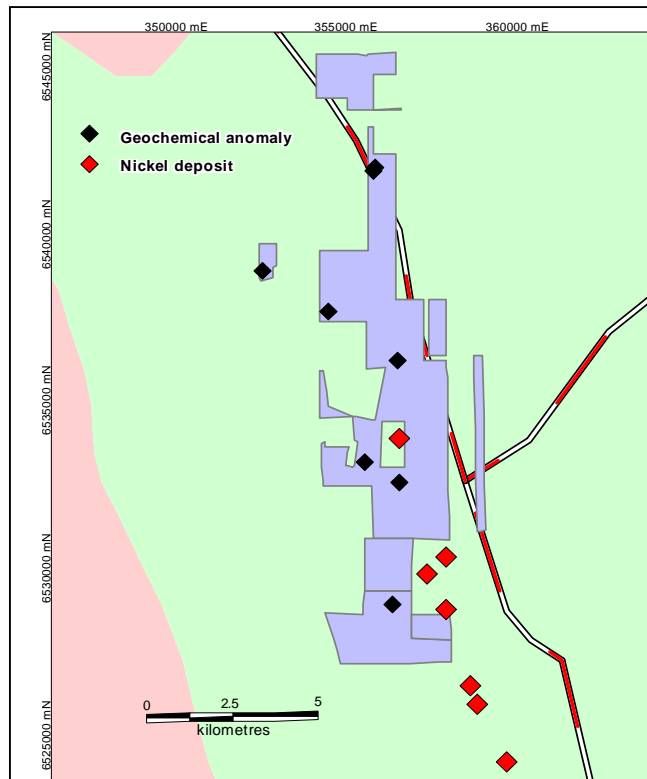
Geochemistry

Geochemical consultant ioGeochemistry has completed an assessment of all available soil, costean, rock chip and drilling assay data. From the study, seven priority areas of anomalism have been identified for further investigation.

Outlook

Sampling and diamond drilling programmes will be completed at the Wattle Dam Project during the December quarter, including diamond drilling at 1H and 1A South Prospects.

Figure 4. Anomalous areas identified by ioGeochemistry for further assessment.



4 MAGGIE HAYES LAKE PROJECT

- *Maggie Hays Lake JV is located 220km SW of Kalgoorlie, WA*
- *Pioneer 100%, LionOre right to earn 70% in all minerals through spending \$200k*

Geophysics

Moving loop and fixed loop EM surveys have been completed covering the northern end of the Maggie Hays Lake Project.

The surveys identified one conductor which will be followed up with a diamond drill hole. The target is located east of a banded iron formation unit in footwall dacitic volcanic rocks, a geological setting analogous with the Emily Ann Deposit located 8km along strike to the north west.

A botanical survey has been scheduled and on completion, drilling will commence during November 2005.

Outlook

Diamond drilling of the principal TEM anomaly is scheduled for November.

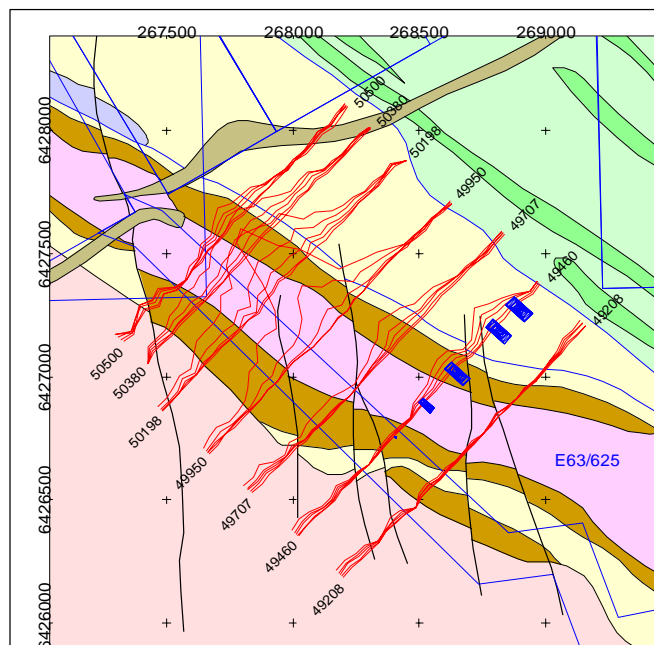


Figure 5. Blue rectangles indicate surface projections of geophysical plate models.

5 AERODROME JOINT VENTURE PROJECT

- *The Aerodrome Joint Venture Project is located 5km W of Ravensthorpe, WA*
- *Pioneer has the right to earn a 75% interest in the project through sole funding exploration expenditure totalling \$0.5 million*

Initial mapping at the Aerodrome Project has identified a west facing ultramafic sequence containing thickened zones of high-magnesian cumulate rock. Pioneer believes that the rocks observed are prospective for nickel sulphide mineralisation. In addition, samples taken showed evidence of the formation of nickeliferous laterite over cumulate-textured ultramafic rocks.

6 HEAZLEWOOD AND WHYTE RIVER JOINT VENTURE PROJECT

- *The Heazlewood and Whyte River projects are near Savage River, NW Tasmania*
- *Resource Finance and Investment Limited ("RFI") has the right to earn up to an 80% interest in the projects through funding expenditure of \$0.6 million*

Following RFI's successful listing on the ASX, the Heazlewood and Whyte River JV has commenced.

RFI has formed a strategic alliance with Geoinformatics Exploration Inc, a specialist geoscientific data compilation and processing consultancy. Geoinformatics, in conjunction with Mineral Resources Tasmania, has recently created a 3D geological model of Tasmania to facilitate targeting of exploration sites. RFI has started contributing new datasets to Geoinformatics to be incorporated into the model. As a result of this process a very large, high gravity anomaly has been recognised at the Heazlewood Project, which has an elevated zinc and silver aureole evident from open file stream sediment geochemistry results.

7 RAVENSTHORPE COPPER-GOLD JOINT VENTURE PROJECT

- *The Ravensthorpe Copper-Gold Joint Venture Project is located 10km SE of Ravensthorpe, WA*
- *WCL has the right to earn a 75% interest in the project through sole funding exploration expenditure totalling \$0.5 million*

Western Copper Pty Ltd ("WCL"), a wholly owned subsidiary of Pioneer Nickel Limited, has entered into a joint venture with unlisted Galaxy Resources Limited ("Galaxy"). The project provides mineral diversity to Pioneer with potential for early cash flow. Pioneer holds a 7% interest in Galaxy.

Three dimensional modelling of old workings is complete and negotiations with key stakeholders is progressing satisfactorily. On the grant of a key mining lease, drilling will commence.



David Crook
Managing Director

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook 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.

The details within this report that relate to the Acra JV Project have been provided and reviewed by Mr Peter Langworthy, who is a full time employee of Jubilee Mines NL, is a Member of the AusIMM with 18 years of experience in the mining industry. Mr Langworthy has relevant experience in relation to the mineralisation being reported on and qualifies as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AusIMM.

The details within this report that relate to the Maggie Hays Lake JV Project have been provided and reviewed by Dr Mark Bennett, who is a full time employee of LionOre Australia (Nickel) Ltd, is a Member of the AusIMM with over 15 years of experience in the mining industry. Dr Bennett has relevant experience in relation to the mineralisation being reported on and qualifies as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AusIMM.
