

ASX ANNOUNCEMENT

2nd November, 2012

Drilling of V-TEM Targets Commences at Cooperinna, Musgrave Project, SA.

- PepinNini commences follow-up of priority EM targets
- Immediate commencement of drill testing of Bondi V-TEM conductor

PepinNini Minerals is pleased to announce the commencement of diamond drilling of conductivity anomalies at the Bondi and Pegasus Prospects identified from the recent V-TEM survey flown within the Cooperinna Project (ASX release, 27th August, 2012).

The V-TEM electromagnetic survey across a portion of the Cooperinna Project was undertaken as a key component of PepinNini's ongoing search for magmatic Nickel-Copper sulphide deposits across the Musgrave Province, far north South Australia (Figure 1). The focus of these exploration efforts are currently concentrated within the Cooperinna Block of exploration license EL4587 (100% PepinNini) located approximately 330km west of the Stuart Highway and Adelaide to Darwin Rail line.

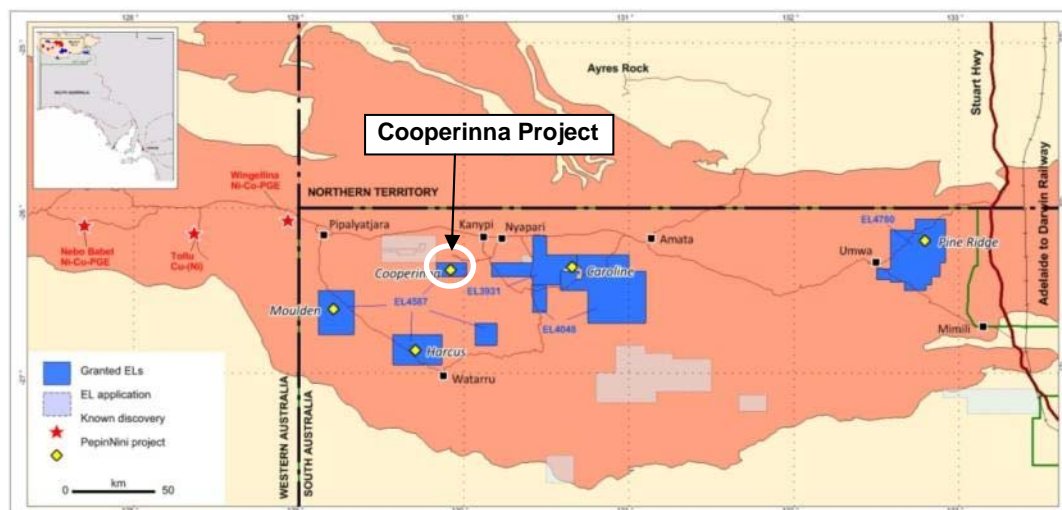


Figure 1: Tenement location plan

Recent encouragement through the intersection of magmatic sulphides during drill testing of SkyTEM⁵⁰⁸ electromagnetic anomalies at the Byron & Byron South Prospects has raised the expectation of even better results from the follow-up of targets west of the Deering Hills.

Numerous priority conductivity targets have been identified from the V-TEM survey. A small number of these responses have been modelled from the airborne data and are considered sufficiently robust to warrant immediate drill testing.

Approximately twenty-one high priority conductivity anomalies have been identified and defined within seven prospect areas (Figure 2). It has been recommended that detailed ground electromagnetic surveying be undertaken across each of these targets to permit accurate geophysical modelling prior to drill testing. A plan comprising twenty-five line kilometres of moving loop ground electromagnetic surveying (MLEM) has been recommended and is being scheduled.

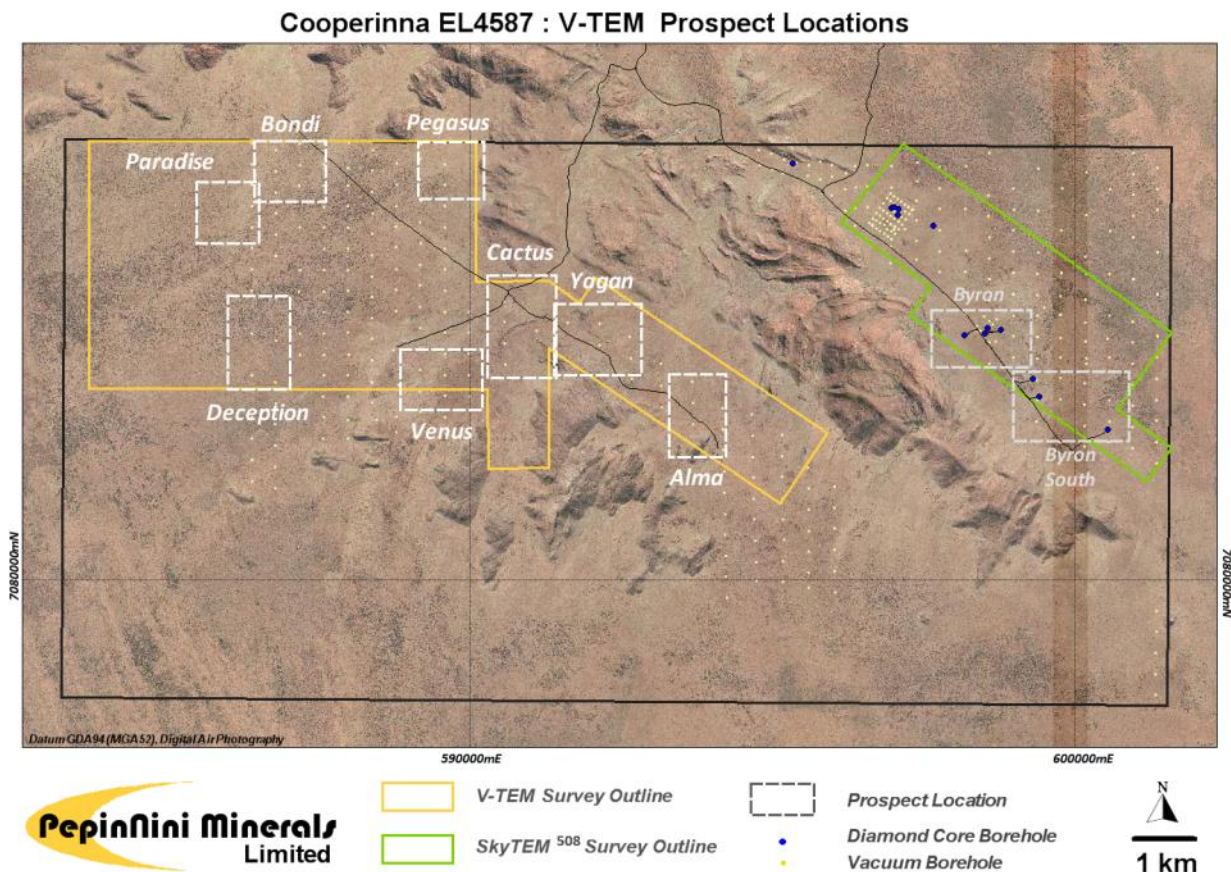


Figure 2: Cooperinna – V-TEM Prospect location plan

PepinNini also plans to undertake infill regolith sampling with the company owned Vacuum Drill Rig within the Bondi, Venus, Cactus and Yagen prospect areas to better detail surface geochemical anomalies detected through the 2011 regional vacuum drilling work. Maximum vacuum drill samples values of 100ppm Ni /170ppm Cu and 366ppm Ni /70ppm Cu previously returned from the Bondi and Yagen Prospects respectively (Figure 3) are now recognised as directly proximal to priority V-TEM targets. Samples west and north of the Cactus and Venus prospects previously returned maxima values up to 152ppm Ni and 55ppm Cu and may be loosely related to conductivity targets within those prospect areas.

Extensions to the regolith sampling – vacuum drilling will also be undertaken across V-TEM conductivity targets at the Pegasus, Paradise and Deception prospects.

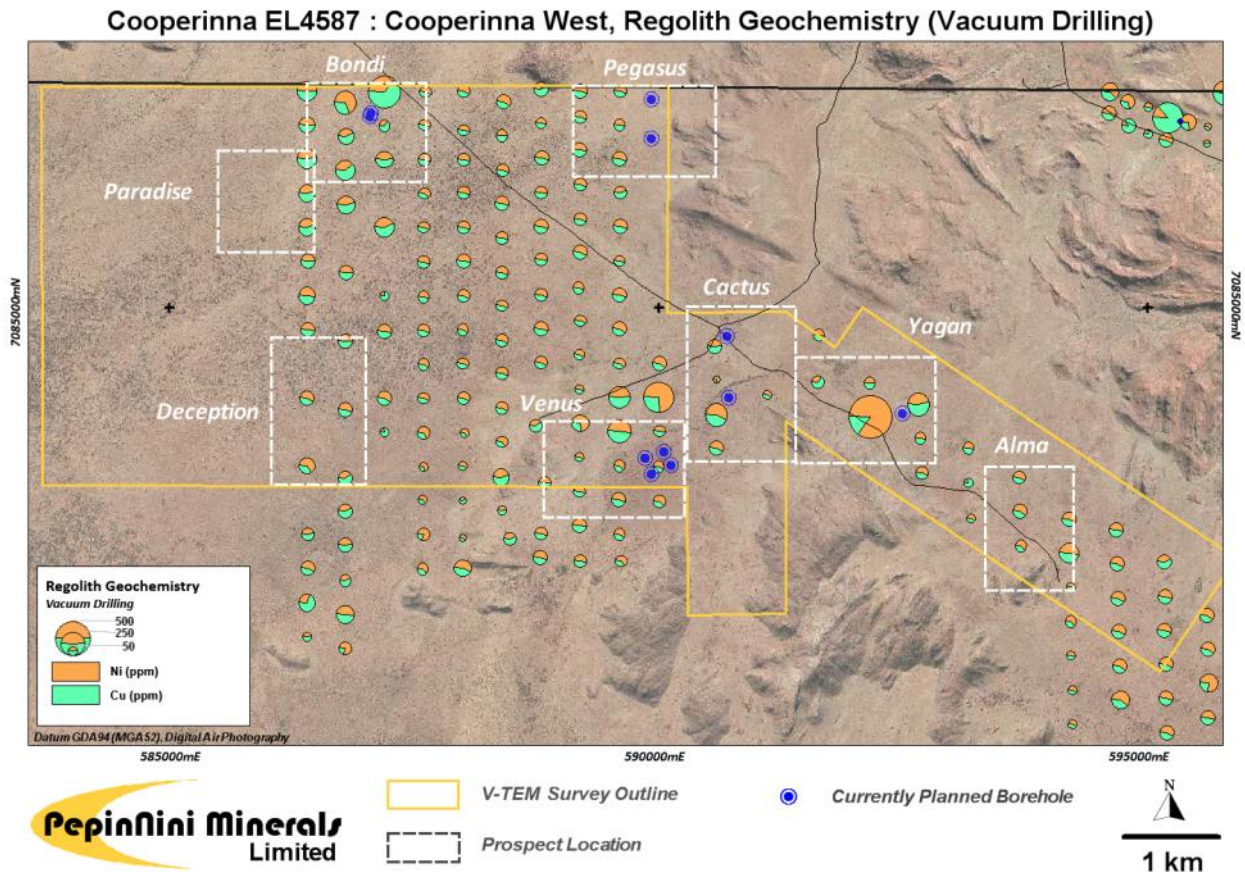


Figure 3: Cooperinna West, Regolith Geochemistry

Heritage Clearance Surveys seeking approval to conduct this extensive follow-up program of ground electromagnetic surveying, vacuum drilling and diamond core drilling are scheduled to be undertaken next week.

Commencement of Drilling (Bondi Prospect)

Drilling has commenced at the Bondi Prospect where at least one hole will test the “Bondi Conductor” which is favourably located on the northern margin of a modelled magnetic mass interpreted to represent a large mafic intrusive body. Furthermore the Bondi conductor is close to regolith geochemical anomalies from Vacuum Holes VCP181 & VCP189 which returned copper and nickel values at levels up to four times background (Figure 4).

At the conclusion of drilling at the Bondi Prospect it is planned the rig commence testing of conductivity targets at the Pegasus prospect (Figure 5) assuming that heritage clearance outcomes are favourable. Whilst the initial targets “Pegasus Conductor 1” and “Pegasus Conductor 2” are considered adequately robust for immediate drilling it is intended that ground EM can be performed prior to drilling to better clarify the geometry and extensions to the conductors

Drilling is being undertaken using the company’s LF90D diamond drilling rig which is currently located on site.

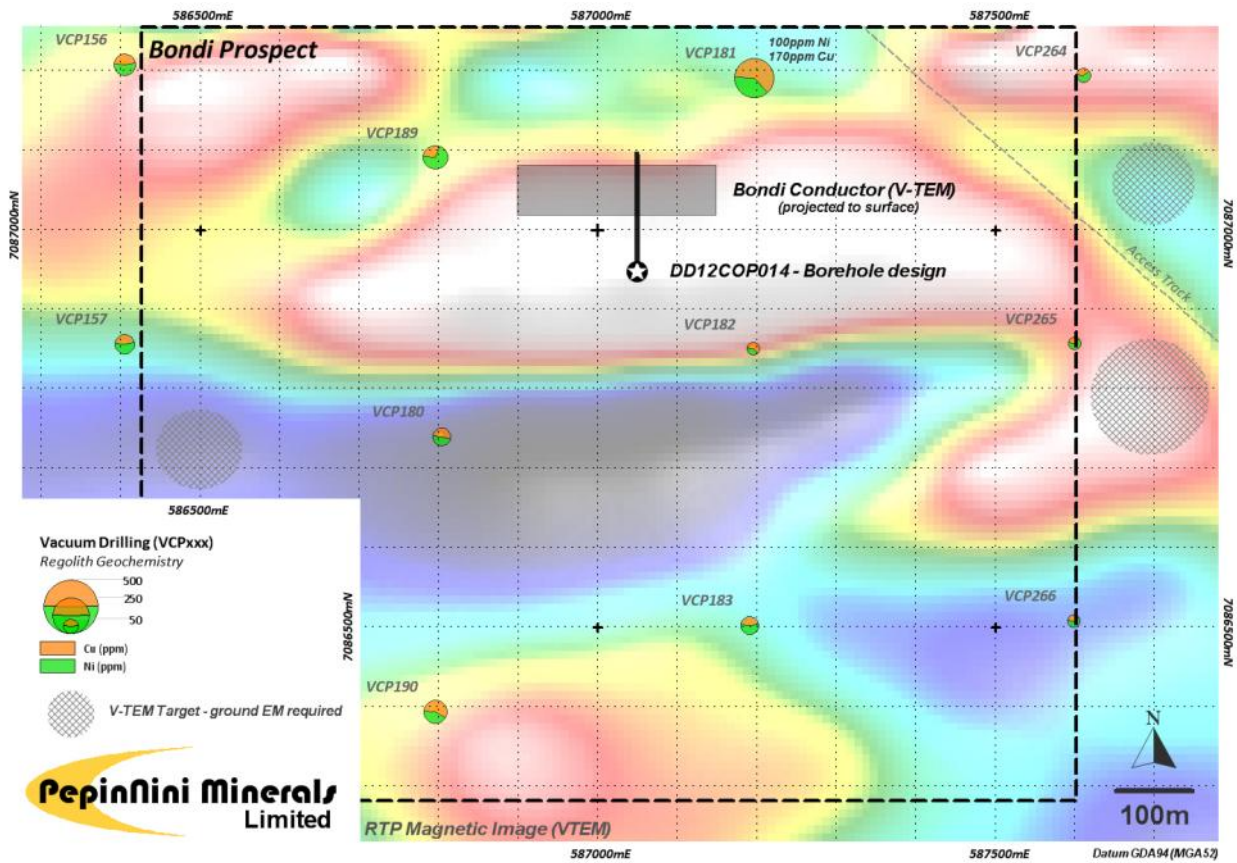


Figure 4: Bondi Prospect – V-TEM anomaly drill hole location (on reduced to pole magnetic image).

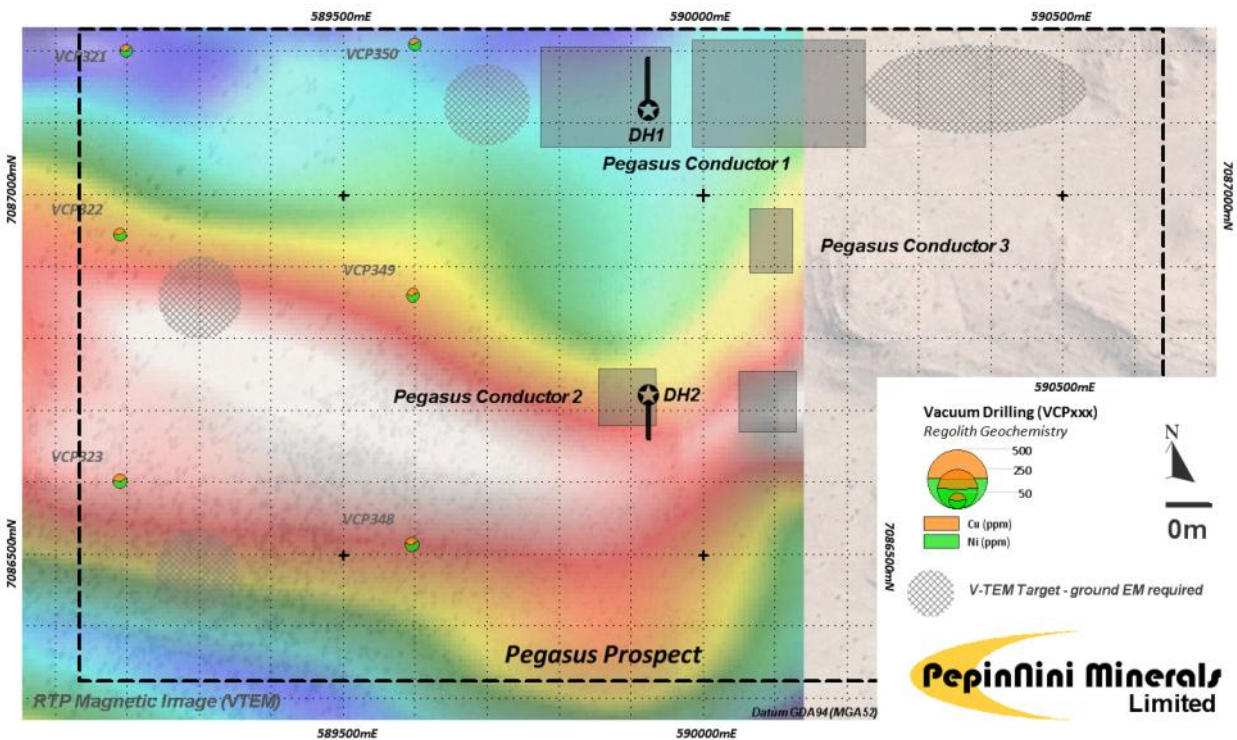


Figure 5: Pegasus Prospect – V-TEM anomaly drill hole location (on reduced to pole magnetic image).

PepinNini is keen to test drill test these V-TEM targets after recently intersecting encouraging intervals of massive to semi-massive, matrix and disseminated sulphides at the Byron and Byron South Prospects on the eastern side of the Cooperina Block (ASX release, 19th October, 2012). Whilst those intercepts were dominated by iron sulphide they are encouraging and further confirm that the process of sulphur saturation (a step critical to the formation of magmatic nickel-copper sulphide deposits) had occurred within the intrusive rocks. The dominance of iron sulphides does not preclude the potential of segregation of nickel and copper laden sulphides from earlier phases of primitive silicate melt. The suite of sulphides present indicates an intrusive melt depleted in chalcophiles (nickel & copper) and from which the desired nickel & copper has been stripped. These chalcophile enriched sulphides are potentially deposited in a suitable trap environment during ascent through the crustal rocks if the favourable conditions existed.

The information in this report that relates to Exploration Results is based on information compiled by Norman Kennedy BSc MAusIMM. Norman Kennedy is the Chairman and Managing Director of PepinNini Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Norman Kennedy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Note: Additional information on PepinNini Minerals Limited can be found on the website: www.pepinnini.com.au