



Report for the Quarter Ending 31st December, 2008

29th January, 2009

Highlights

- ◆ Continued positive results from regional geochemical drill sampling across EL 4048 Mt Caroline using the Company owned vacuum drilling rig which is proving to be a very effective tool for identifying concealed prospective nickel copper sulphide targets in the ultrabasic intrusions and silver lead zinc targets within the metasediments beneath the thin veneer of recent sediments that covers the majority of the tenement. Anomalous values of silver (up to 3ppm), lead (up to 43.5ppm), zinc (up to 1,200ppm), nickel (up to 1,880ppm), copper (up to 360ppm), cobalt (up to 1,660ppm), molybdenum (up to 3.6ppm) and strontium (up to 880ppm) have been reported from the 179 samples analysed during the quarter and results from a further 445 samples are awaited.
- ◆ Three diamond cored boreholes completed and a fourth commenced for a total of 996.81 metres of drilling at the Mt Caroline nickel copper sulphide targets located in the Musgrave Province of South Australia. An additional 226 vacuum boreholes were also drilled for a total of 2,833.3 metres.
- ◆ Sulphides have been intersected in all cored boreholes completed within EL 4048 to date confirming sulphur saturation occurred within the Caroline intrusion.
- ◆ Completion of a program of 223 boreholes at the Crocker Well Uranium Deposit as part of a resource validation program.
- ◆ Laboratory flotation test work completed during the quarter indicates that flotation can be successfully deployed for upgrading the Crocker Well Uranium ore body.
- ◆ Commencement of consultations with pastoralists, indigenous groups and the local community regarding the proposed mine development at Crocker Well.
- ◆ Four priority exploration prospects identified within EPM 15440 Percyville with encouraging gold (up to 335g/tonne), silver (up to 1,360g/tonne), copper (up to 32.8%), and lead (up to 18.0%) being reported for surface samples collected from a reconnaissance program conducted within tenement during the quarter .
- ◆ High grade uranium enriched phosphate rock surface samples confirm prospective potential of Plain Creek EPM 14834. Grades of up to 22.9% P₂O₅ and 2,288ppm U₃O₈ reported for samples collected during a reconnaissance and surface sampling program conducted during October, 2008.
- ◆ At the end of the quarter the Company held \$11 million in cash.



SOUTH AUSTRALIA

Musgrave Province Project

The project consists of three granted exploration licences, EL 3368, EL 3536 and EL 4048, and two exploration licence applications, ELAs 118/96 and 185/96 which are considered prospective for base metals, gold, platinum group metals, ferrous metals and precious stones. The tenements comprise eleven separate areas covering approximately 8,143 km².

Exploration Licence EL4048 – Mt Caroline

Exploration activities in EL4048 are focused on targeting nickel-copper sulphide mineralisation within layered mafic-ultramafic intrusions of the Giles Complex and base metal mineralisation in felsic and mafic gneisses of the Birksgate Complex.

During the quarter, three diamond cored boreholes were completed and a fourth is currently being drilled for a total of 996.81metres. Boreholes DD08CAR005, DD08CAR007 and DD08CAR008 targeted magnetic and EM anomalies associated with mafic/ultramafic rocks of the Giles Complex Caroline intrusion. Drilling intersected layered anorthosite, leuco-gabbro-norite and minor gabbro-norite lithologies. Sulphides have been intersected in all boreholes confirming sulphur saturation occurred within the Caroline intrusion. DD08CAR006 targeted a magnetic anomaly north of Mt Caroline. Drilling intersected felsic and mafic gneisses of the Birksgate Complex. Sulphides were encountered throughout the borehole and were localised in fractures and shear zones.

Diamond borehole collar details.

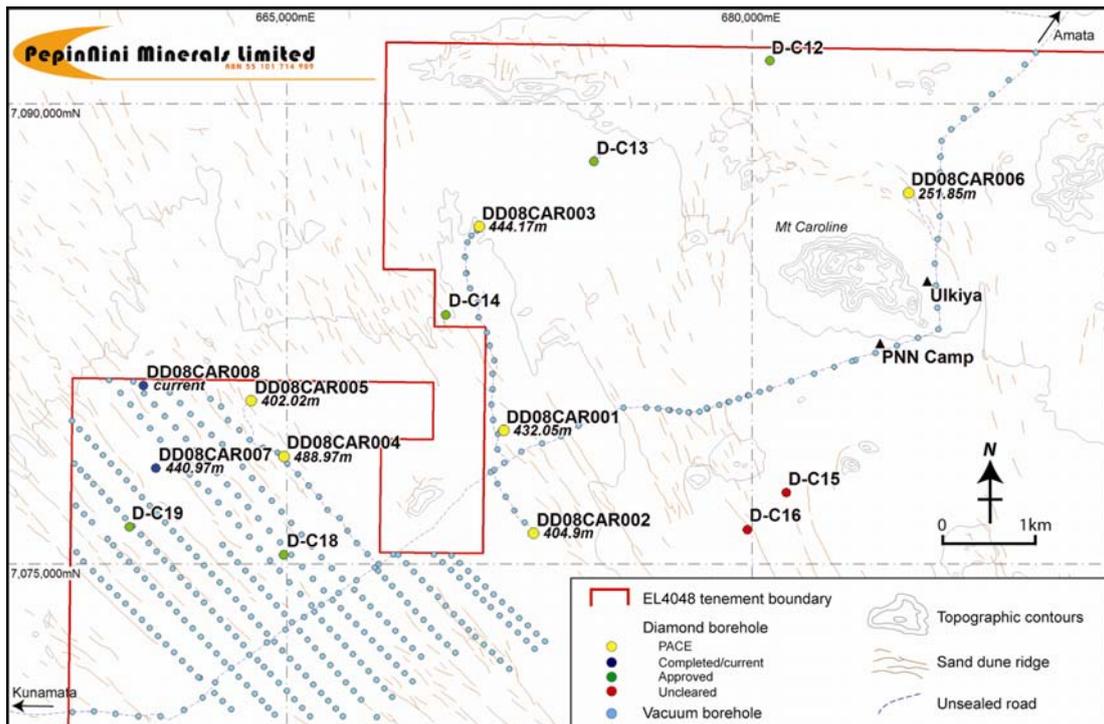
Hole_ID	MGA_East	MGA_Nth	Depth
DD08CAR005	663847	7080847	213m - 402.02m (EOH)
DD08CAR006	685050	7087100	251.85m (EOH)
DD08CAR007	660773	7078121	440.97m (EOH)
DD08CAR008	660365	7080815	150.97m (incomplete)



A total of 299 diamond drill core samples were submitted for assaying during the quarter. Results are still pending.

The diamond drill program within EL4048 is augmented by shallow drilling utilising the company owned vacuum drill rig. During the quarter, 226 vacuum boreholes were drilled for a total of 2833.3m. A total of 445 geochemical samples were submitted for assaying during the quarter. Results from an initial 179 samples from 95 boreholes drilled along four northwest trending traverses across the interpreted Caroline mafic/ultramafic intrusion (VC063-138) and from along existing tracks (VC139-157) over interpreted Birksgate Complex felsic and mafic gneisses and Pitjantjatjara Supersuite granite have been received and have highlighted a number of distinct priority targets for further investigation. The recent batch of samples returned anomalous values of silver (up to 3ppm), lead (up to 43.5ppm), zinc (up to 1,200ppm), nickel (up to 1,880ppm), copper (up to 360ppm), cobalt (up to 1,660ppm), molybdenum (up to 3.6ppm) and strontium (up to 880ppm). It is notable that nickel and copper are particularly anomalous in an area where pentlandite (nickel copper sulphide) has been reported in a surface sample collected from an outcrop of the Caroline Intrusion by PIRSA in November, 2004. Further assay results from the vacuum drilling are pending.

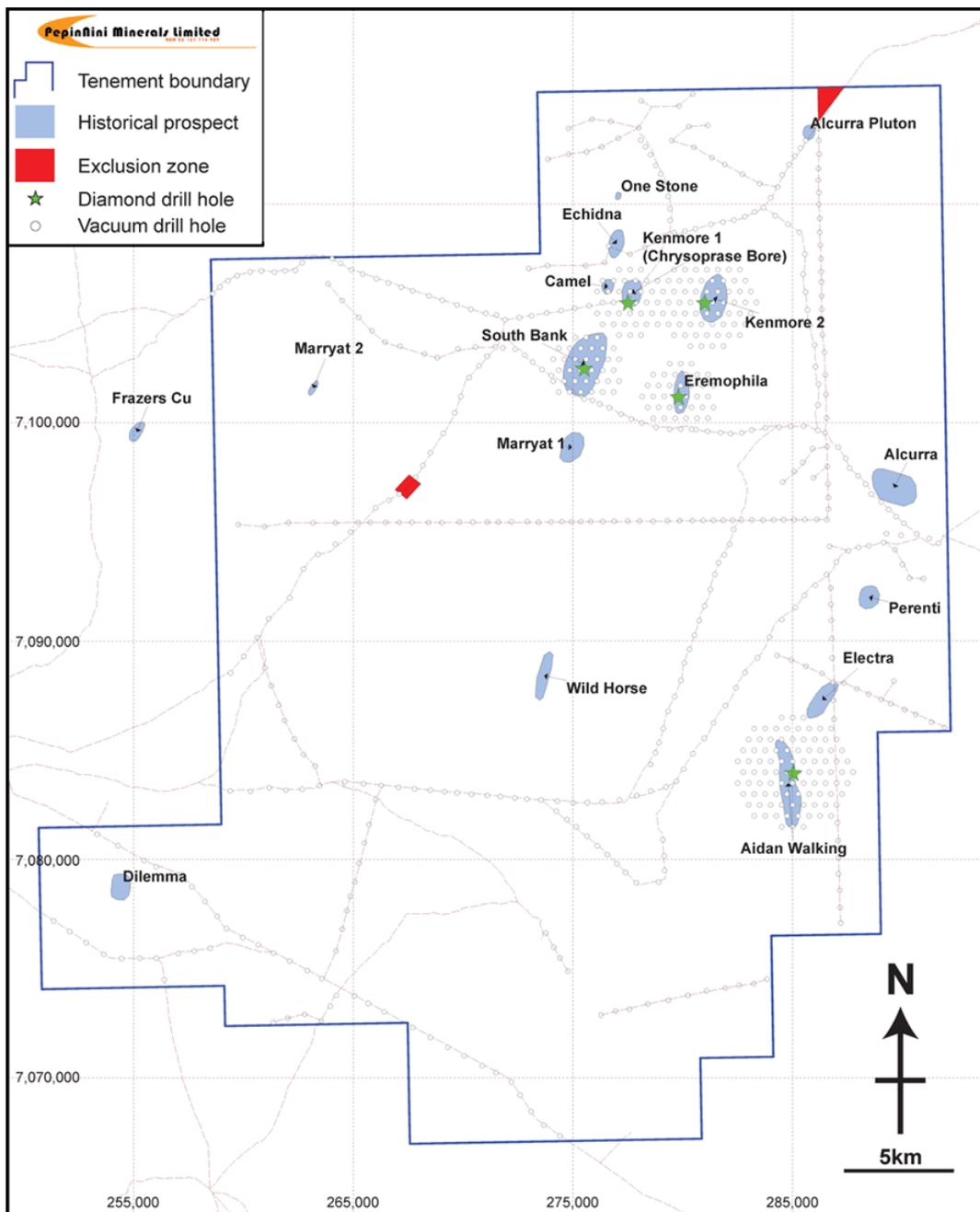
The vacuum drilling program within EL4048 is proving to be an effective tool for sampling below the widespread aeolian sand dunes that are prominent in the Musgrave Province. The technique is viewed by PepinNini to be a substantial breakthrough in rapidly generating cost-effective high-quality targets for follow-up drilling.



Diamond and vacuum borehole locality map, EL4048 Mt Caroline

Exploration Licence EL3536 – Pine Ridge

During the quarter, PepinNini received final approval for exploration activities within EL3536 Pine Ridge. Five prospect sites identified by previous explorers within EL3536 have been approved for diamond drilling. The diamond drilling program will be augmented by an 800 borehole vacuum drilling program.



Prospects, diamond drill hole and vacuum drill hole localities, EL3536 Pine Ridge

Exploration Licence EL3368 – Mount Harcus

During the quarter, a Work Program Proposal was submitted for the Cooperinna Block of EL3368 ‘Mt Harcus’. A preliminary meeting identified Traditional Owners for the region and the proposed exploration program outlined. Exploration activities proposed to occur within the Cooperinna Block include regional geological mapping, rock chip sampling and vacuum drilling. Previous exploration in tenements adjacent to the Cooperinna Block has identified altered metasediments and strong bedrock conductors making the region highly prospective for base metal plays.

Curnamona Province Project

The development of the Crocker Well Uranium Deposit by Sinosteel Corporation (60%) and PepinNini Minerals (40%) is being managed by Sinosteel PepinNini Curnamona Management Pty Limited (SPCM) on behalf of the Joint Venture partners. A Bankable Feasibility Study (BFS) for the development of a mine at Crocker Well is currently in progress and is currently scheduled to be completed in September, 2009.

Metallurgical Testwork

Laboratory flotation test work was completed during December 2008. The results indicate that flotation can be successfully deployed for upgrading the Crocker well ore body. The recovery of uranium was determined to be in excess of 80% with a mass pull of approximately 20-30%. No optimisation flotation work has been completed yet and it is considered these results can improve further. The sample was prepared, milled and subjected to a bulk flotation campaign to deliver a large enough sample for subsequent leach and hydrometallurgy recovery and purification test work at ANSTO laboratories in Sydney.

Resource Verification Drilling Program

Drilling operations to verify and upgrade sufficient of the currently defined JORC compliant uranium resource from an Inferred category to an Indicated or Measured category to allow for a Bankable Feasibility Study to be completed continued during the quarter. SPCM have reported the completion of 206 Reverse Circulation (RC) boreholes and 17 cored boreholes. All boreholes have been geophysically logged using a spectral gamma tool.

Community Engagement

Consultation with pastoralists, indigenous groups and the local community regarding the proposed mine development has commenced and a dedicated website <http://www.crockerwell.com.au/> has been designed to ensure members of the public have access to latest information and reports relating to the proposal. A presentation describing the project was given to the Adnyamathanha Governing Committee on 3rd December, 2008 and Part 9B Mining Agreement negotiations with Adnyamathanha commenced on 17th December, 2008.



WESTERN AUSTRALIA

Peak Hill Gold Project and Robinson Range Iron Ore Project

PepinNini is awaiting the outcome of the sale of assets by the Receiver and Manager appointed to Eagle Gold Mines Pty Ltd (EGM Pty Ltd) which owns the mineral tenements and processing plant and infrastructure referred to as the Peak Hill Gold Project and Fortnum Gold Mine in PepinNini's ASX announcement of 20th December 2007.

Negotiations with third parties regarding the realisation of the assets of EGM Pty Limited are continuing and the Receiver and Manager is hopeful of concluding a number of transactions in the New Year.

NORTH QUEENSLAND

Georgetown Inlier/Woolgar Goldfield/Drummond Basin Project

On 25th November PepinNini Minerals Limited announced results from a recently completed surface sampling program conducted within EPM 15440 Percyville. Four priority target prospects have been identified within the tenement for detailed geochemical and surface geophysical surveys prior to investigation by drilling. Some of the more significant assays at each of the prospects include:

Spring Valley Prospect

- **335g/t gold**, 85.4g/t silver, 0.2% copper, 2.8% lead
- 53.8g/t gold, **870g/t silver**, **32.8% copper**
- 166g/t gold, 563g/t silver, 4.9% copper, **4.7% lead**, 0.4% zinc
- 3.3g/t gold, 542g/t silver, 5.8% copper, 3.7% lead
- 10.7g/t gold, 242g/t silver, 8.8% copper, 0.2% lead
- 90.1g/t gold, 63.8g/t silver, 2.8% copper

Union Prospect

- **65.1g/t gold**, 435g/t silver, 9.9% copper
- 3.6g/t gold, **653g/t silver**, **20.3% copper**
- 42.3g/t gold, 124g/t silver, 1.4% copper
- 4.7g/t gold, 13.7g/t silver, 3.0% copper

Dividend Gully

- **40.5g/t gold**, **1,360g/t silver**, 0.1% copper, 0.4% lead
- 38.1g/t gold, 184g/t silver, 0.2% copper, 2.3% lead
- **18% lead**

Freedom Prospect

- 3.2g/t gold, **732g/t silver**, **13.8% copper**, **1.0% lead**
- **15.1g/t gold**, 28.6g/t silver, 3.1% copper, 0.6% lead, 0.2% zinc

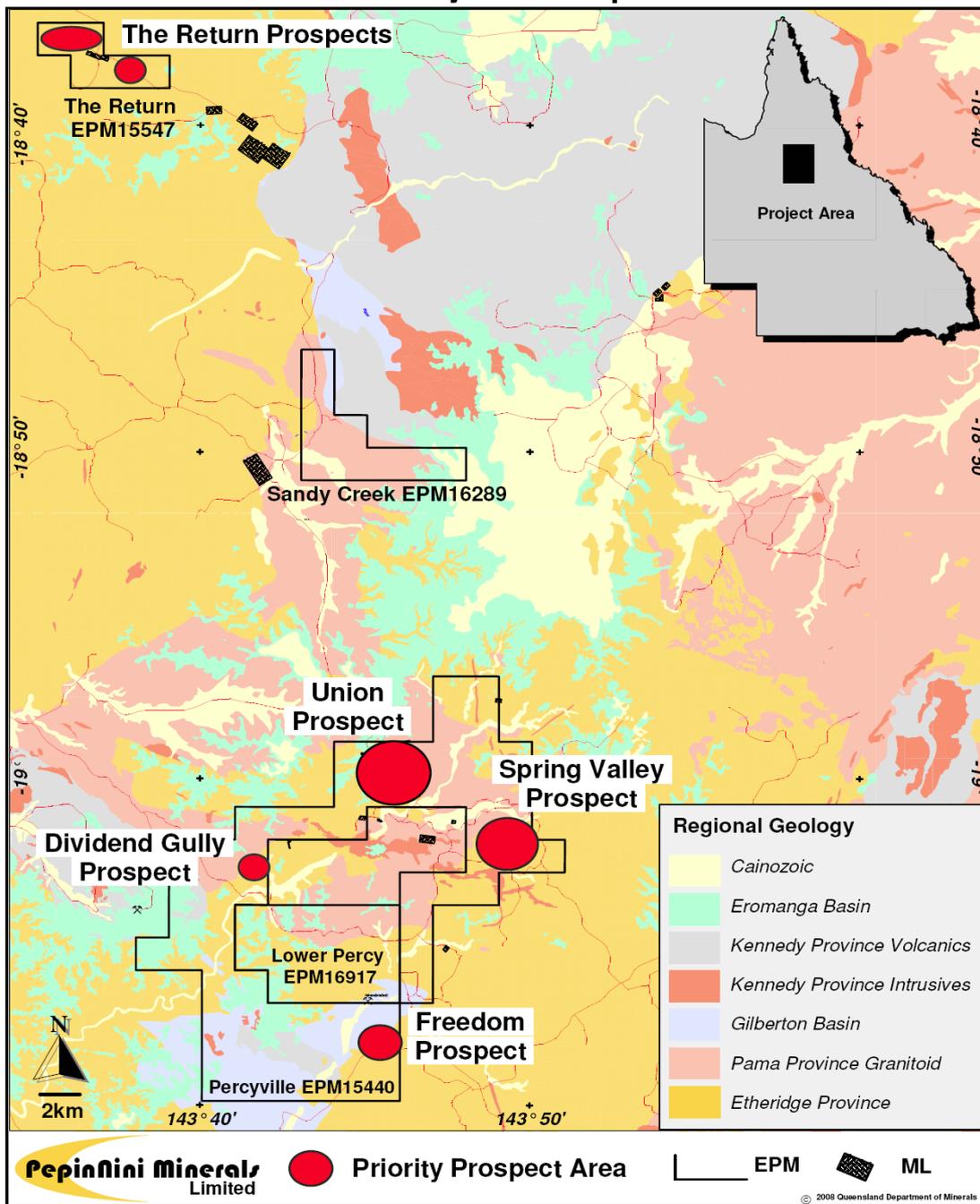
EPM 15440 is located in the Percyville area approximately 50km south of Forsayth. The 4.1Moz Kidston Gold Mine is located approximately 30km to the northeast of the area.

The recently completed surface sampling program also included the Return EPM 15547 located 5kms south of Forsayth. Gold mineralisation within the Forsayth area is hosted within steeply dipping quartz veins within shear zones. Regional aeromagnetic data indicates a major northwest trending shear zone transects EPM 15547. Prospective mineralisation identified in selected samples collected from within EPM 15547 includes:

EPM 15547 – The Return

- 31.3g/t gold, 42g/t silver, 0.2% lead
- 27.7g/t gold, 41g/t silver, 0.7% lead
- 29.0g/t gold, **49g/t silver**, 0.5% lead
- 4.9g/t gold, 7g/t silver, **1.1% lead**

North Queensland Project - Prospect Locations



On 8th December PepinNini announced that results from a recently completed reconnaissance and surface sampling program confirmed high grade uranium (up to 2,288ppm U₃O₈) and phosphate (up to 22.9%) mineralization within EPM 14834 Plain Creek. A total of 48 samples were collected during a reconnaissance survey conducted during October, 2008. Some of the more significant assay results include:

- **22.9% P₂O₅**, 1,450ppm U₃O₈
- 16.3% P₂O₅, **2,288ppm U₃O₈**
- 15.9% P₂O₅, 1,828ppm U₃O₈
- 14.4% P₂O₅, 1,108ppm U₃O₈
- 12.7% P₂O₅, 1,014ppm U₃O₈
- 11.2% P₂O₅, 2,170ppm U₃O₈

EPM 14834 (Plain Creek) is located approximately 190km south of Charters Towers within the Devonian to Carboniferous Drummond Basin. It is connected by sealed road to the port of Townsville approximately 300km to the north.

Exploration by previous explorers investigating the uranium potential within EPM 14834 has delineated at least ten prospects with phosphate and uranium potential. Previous exploration reported P₂O₅ results up to 27% and U₃O₈ up to 4,200ppm within relatively flat lying siltstones. The reconnaissance survey undertaken by PepinNini identified siltstone units up to 3m thick within creek sections that extend for long distances below a relatively shallow cover of recent alluvium.

PepinNini has two other recently granted tenements and one application for a tenement located in the vicinity to the northwest of EPM 14834 which contain the same prospective siltstone units sampled on EPM 14834.

The information in this report that relates to Exploration Results and Mineral Resources 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.

For further information please contact:

Mr Norman Kennedy
Chairman and Managing Director, PepinNini Minerals Limited
Phone: (02) 9417 6212

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

Additional information for the Crocker Well Uranium Project can be found on the website:
www.crockerwell.com.au

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

PepinNini Minerals Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

December 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (... 6... 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 (b) development (c) production (d) administration	(1,801)	(3,877)
1.3 Dividends received	(346)	(748)
1.4 Interest and other items of a similar nature received	69	500
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	4	6
Net Operating Cash Flows	(2,074)	(4,119)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets		(2)
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 (provide details if material) – controlled entity contributing cash		
Net investing cash flows	-	(2)
1.13 Total operating and investing cash flows (carried forward)	(2,074)	(4,121)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,074)	(4,121)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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 – On market Share Buy-back		(270)
	Net financing cash flows	-	(270)
	Net increase (decrease) in cash held	(2,074)	(4,391)
1.20	Cash at beginning of quarter/year to date	13,104	15,421
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	11,030	11,030

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	117
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	
1. Managing Director, Administration Director and non-executive directors' remuneration	\$114,999
2. Reimbursement of Directors' expenses	\$1,939

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

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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

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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		
3.2 Credit standby arrangements		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	600
4.2	Development	
Total		600

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	1,030	3,104
5.2 Deposits at call	10,000	10,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	11,030	13,104

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	EPM 15160	Statutory partial relinquishment	8 sub blocks	4 sub blocks
	EPM 15167	Statutory partial relinquishment	6 sub blocks	3 sub blocks
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	67,999,195	67,999,195	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 <i>(description and conversion factor)</i>	500,000 200,000		<i>Exercise price</i> 138cents 130cents	<i>Expiry date</i> 30 Nov 2010 1 Sep 2011
7.8 Issued during quarter	100,000		35cents	31/12/2011
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>				

+ See chapter 19 for defined terms.

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 **29th January 2009.**

Print name:

.....**Rebecca Holland-Kennedy**.....

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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