



## Report for the Quarter Ending 30<sup>th</sup> June, 2011

29<sup>th</sup> July, 2011

### ***Highlights***

- ◆ An extensive drilling program of approximately 100 reverse circulation (RC) boreholes commenced on 30th June, 2011 within the seven tenements comprising the Robinson Range JV Project located in the Midwest region of WA. The drilling program is designed to investigate potential iron ore resources at eleven prospect areas located amongst the ~40km strike length of Robinson Range Formation identified within the project area.
- ◆ The investigation of the iron ore potential of the Braemar Iron Formation identified within tenements held jointly by Pepinini Minerals and Sinosteel Corporation in the Curnamona Province of South Australia has been prioritised by the Joint Venture. During the quarter the Joint Venture management company joined a consortium of iron ore explorers to form the Braemar Iron Alliance with the objective of promoting regional infrastructure development.
- ◆ During the quarter the Company owned diamond drilling rig and crew were contracted to undertake a drilling program of four deep diamond boreholes for our Curnamona Joint Venture to investigate priority drill targets defined by ground gravity data over EL3587 (Scott Hill). Preliminary multi-element results for a number of sulphide veins intersected in one of the boreholes have returned encouraging results of;
  - ◆ 0.40m @ 1.49%Zn, 0.17%As, 257ppmCu, 706ppmPb
  - ◆ 0.25m @ 1.11%Pb, 0.33%Zn, 561ppmCu, 8.7ppmAg
  - ◆ 0.30m @ 2.06%Zn, 309ppmCu
  - ◆ 0.40m @ 5.89%Zn, 815ppmPb, 0.21%Cu, 30.1ppmAg
  - ◆ 0.25m @ 3.91%Zn, 658ppmPb
  - ◆ 0.30m @ 1.93%Zn, 0.19%Pb
- ◆ At the end of the quarter the Company held \$4.6 million in cash.



## ***Project Locations***

### ***WESTERN AUSTRALIA***

#### ***Robinson Range Iron Ore Project***

During the quarter statutory approvals were received for the proposed JV drilling program within the seven tenements comprising the Robinson Range Project located in the Midwest region of WA. An independent archaeological service company was engaged to undertake targeted archaeological surveys of access & locations of the proposed drilling program. Surveying was undertaken during the last week of May 2011. All sites were cleared with only minor positioning adjustments required.

An extensive drilling program of approximately 100 reverse circulation (RC) boreholes commenced on 30<sup>th</sup> June, 2011. The drilling program is designed to investigate potential iron ore resources at eleven prospect areas located amongst the ~40km strike length of Robinson Range Formation identified within the project area.

The Robinson Range Formation includes banded iron and granular iron formation units which outcrop variably within the tenements. The prospective iron ore areas contain supergene enriched Hematite and Hematite-Goethite mineralisation which form the primary targets for drill testing.



Figure 1. Drilling borehole RR022  
Robinson Range Project –July 2011

Previous surface sampling across the Robinson Range Formation confirmed that iron mineralisation occurs at numerous prospect sites across the project area. Rock chip results of up to a maximum of 67.3% Fe were returned with all areas sampled returning some values in excess of 60% Fe.

The drilling program will investigate accessible prospects where iron mineralisation is either outcropping or concealed beneath shallow surface cover. Drill targeting aims to highlight zones of potentially continuous mineralisation.

The Robinson Range Project comprises seven tenements that cover approximately 700km<sup>2</sup>. PepinNini Minerals has a 50% interest in the iron ore contained within three tenements and a 40% interest in the iron ore contained within the other four tenements. Joint Venture Agreements have been executed to facilitate the exploration and development of the iron ore potential of the tenements. PepinNini manages exploration on behalf of the Joint Venture partners.

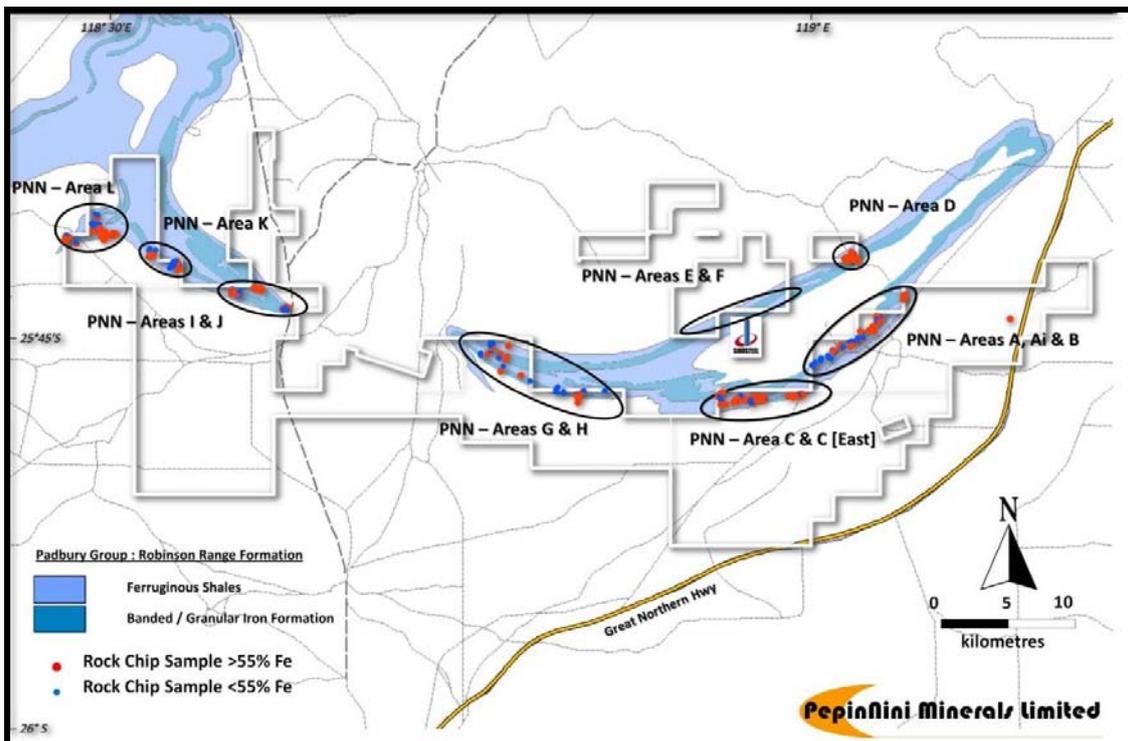


Figure 2. Robinson Range Iron Ore Project - Prospect Locations

## **NORTH QUEENSLAND**

PepinNini currently has a 100% interest in 14 tenements covering approximately 1,086 kms<sup>2</sup>. The tenements are prospective for high grade gold and silver, copper, base metals, uranium, phosphate and potash.

There were no field-based exploration activities conducted within the tenements of the Queensland Project during the Quarter. PepinNini is currently compiling and assessing all exploration data collected to date and are in the process of prioritising targets for follow-up exploration.

## **SOUTH AUSTRALIA**

### **Musgrave Province Project**

The Musgrave Project is currently targeting nickel-copper sulphide mineralisation and base metal mineralisation in the Musgrave Province of South Australia. PepinNini has four granted exploration licences (EL3536, EL3931, EL4048, EL4587) covering ~5,669 km<sup>2</sup> and six exploration licence applications (ELA118/96, ELA185/96, ELA278/82, ELA491/94, ELA367/09, ELA368/09) covering ~3,932 km<sup>2</sup> (Fig. 3). PepinNini subsidiary PepinNini Resources Pty Limited is earning a 51% interest in EL3931 and ELA278/82 and ELA491/94 under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited.

During the quarter a meeting was held by the Traditional Owners to discuss progressing the grant of ELAs 491/94 and 278/82. Further meetings are scheduled for August.

A work area clearance for a proposed program comprising reconnaissance mapping and sampling, vacuum drilling and diamond drilling within the Cooperinna block of EL 4587 was conducted by Traditional Owners during late June.

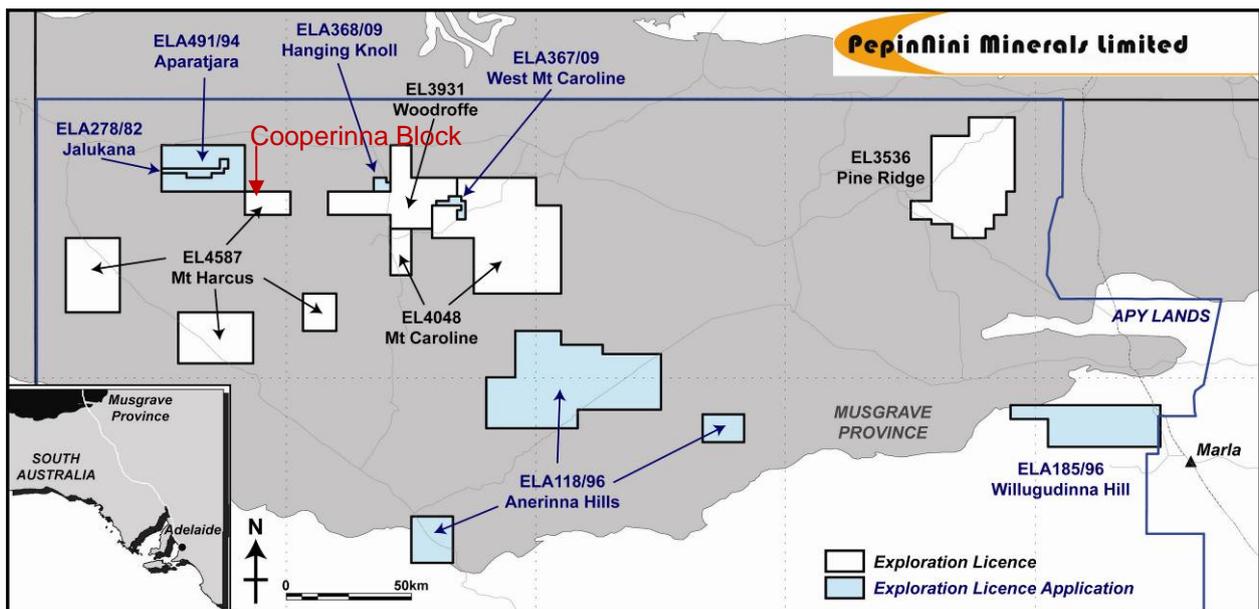


Figure 3. PepinNini Minerals Limited tenement location in the Musgrave Province, SA.

## **Curnamona Province Project**

Exploration within the Curnamona Province Project area, which includes the Crocker Well Uranium Deposit, is being managed by Sinosteel PepinNini Curnamona Management Pty Ltd (SPCM) on behalf of the Joint Venture partners Sinosteel Corporation (60%) and PepinNini Minerals (40%). The Joint Venture has prioritized the investigation of the iron ore potential of the Braemar Iron Formation. During the quarter SPCM joined a consortium of iron ore explorers to form the Braemar Iron Alliance with the objective of promoting regional infrastructure development to advance their common interests.

The alliance comprises ASX listed entities Carpentaria Exploration (ASX: CAP), Havilah Resources (ASX: HAV), Minotaur Exploration (ASX: MEP), Royal Resources (ASX: ROY), plus the Sinosteel PepinNini Curnamona Joint Venture (SPCM) and private group Bonython Metals Group (BMG).

SPCM is also undertaking investigation of the mineral potential of a number of priority uranium and base metal targets identified within the tenements held by the Joint Venture.

### **Braemar Iron Formation**

Recent publicity surrounding the magnetite iron content of the Braemar Iron Formation (BIFm) has resulted in a marked increase of iron exploration within the Adelaidean sequences in the Nackara Arc and along the southern boundary of the Curnamona Province. Promising iron grades, low impurities and potentially large tonnages make the BIFm an exciting target for magnetite iron deposits. Very encouraging positive exploration drilling and metallurgical results have recently been announced by other explorers in the area.

Three priority target areas have been identified within the Joint Venture tenements and have been designated as the Mt Victor Iron Ore Prospect (ELA928/04 Mt Victor); the Macdonald Corridor Iron Ore Prospect (EL4375 Bimbowrie); and the Outalpa Iron Ore Prospect (EL3472 Outalpa & ELA928/04 Mt Victor). Each of the prospects identified have the potential to host a very large magnetite iron ore resource which could be beneficiated to a high grade blast furnace feed product at a very competitive cost relative to other magnetite prospects currently under development consideration elsewhere in Australia.

The magnetite prospects have been identified within outcropping to shallow glacial BIFm of Neoproterozoic age by interpretation of detailed regional magnetic data and geological mapping of the area. The BIFm consists of a series of alternating and interbedded tillitic and magnetite units representing cycles of glacial advances and retreats.

SPCM is currently awaiting statutory approval of its Declaration of Environmental Factors (DEF) in order to undertake a Reverse Circulation (RC) drilling program to determine the magnetite potential and to define a possible resource exploration target for the Macdonald Corridor Prospect. Subject to favourable results and further statutory approvals SPCM would then undertake an extensive resource definition drill program to test the full extent of the 10 kilometre long intense magnetic anomaly that defines the Macdonald Corridor Prospect within EL 4375.

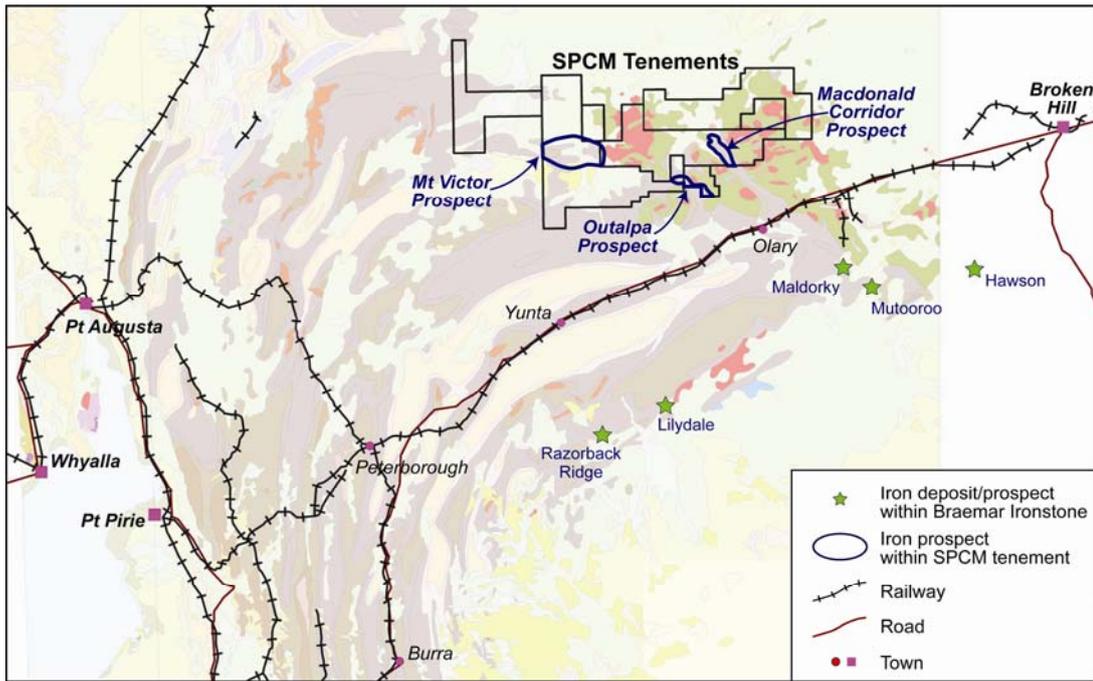


Figure 4. Regional Braemar Ironstone magnetite prospects (green stars) and prospective Braemar Ironstone prospect regions in relation to Sinosteel PepinNini Joint Venture tenements (black polygons).

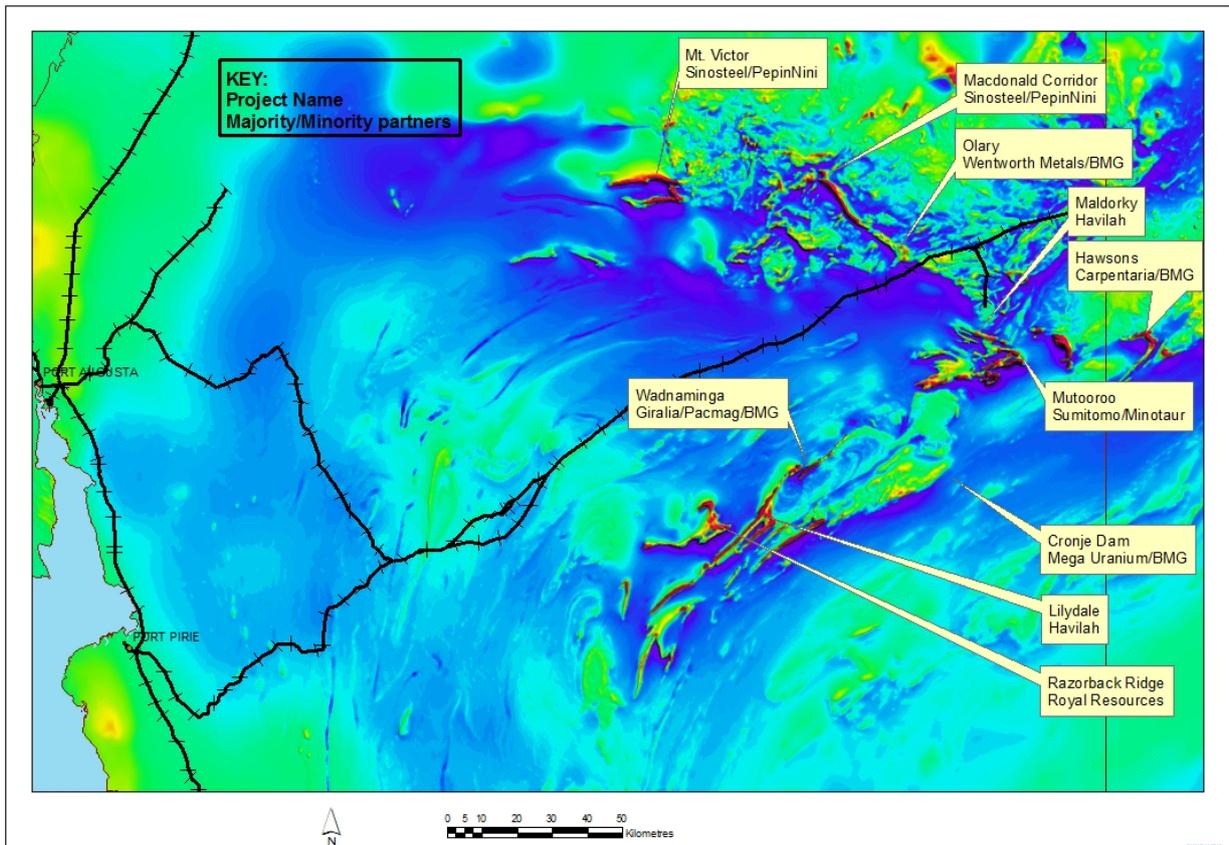


Figure 5. Major Iron Prospects identified within Braemar Iron Formation. (Backdrop image is regional aeromagnetic data) Courtesy Braemar Iron Alliance

### Priority Target Investigation

A drilling program of four deep precollared diamond boreholes to investigate priority drill targets defined by ground gravity data over EL3587 (Scott Hill) was completed on 16<sup>th</sup> May. The Company diamond drilling rig and crew were used to undertake the drilling.

A total of 104 samples were submitted for analysis to ALS-Chemex in Adelaide on 27<sup>th</sup> June 2011. Final results are currently awaited. Preliminary multi-element results for a number of sulphide veins intersected in drillhole DD11SH004 have returned encouraging results of;

- ◆ 0.40m @ 1.49%Zn, 0.17%As, 257ppmCu, 706ppmPb
- ◆ 0.25m @ 1.11%Pb, 0.33%Zn, 561ppmCu, 8.7ppmAg
- ◆ 0.30m @ 2.06%Zn, 309ppmCu
- ◆ 0.40m @ 5.89%Zn, 815ppmPb, 0.21%Cu, 30.1ppmAg
- ◆ 0.25m @ 3.91%Zn, 658ppmPb
- ◆ 0.30m @ 1.93%Zn, 0.19%Pb

An aircore drill program designed to investigate a number of geophysical and geochemical anomalies commenced on 16<sup>th</sup> June. As of 18<sup>th</sup> July 175 holes for 2,702m have been completed and 1,417 samples (including duplicates and standards) have been submitted to ALS-Chemex for analysis.



Figure 6. PepinNini diamond rig drilling borehole DD11SH004 – May, 2011



Figure 7. Sulphide mineralization - borehole DD11SH004

## **ARGENTINA**

### **Salta Project**

A second cateo (Exploration Licence) in the Argentine province of Salta has been granted to PepinNini S.A., a subsidiary of PepinNini Minerals Limited. Cateo 20440 "Oscara" was granted on 8<sup>th</sup> July 2011 for a period of 250 days and covers an area of 1,051 hectares. This cateo is part of PepinNini's Chivinar Project in Salta's Puna region close to the Chilean border which is considered prospective for precious and base-metal porphyry-epithermal style mineralisation.

*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: (08) 8218 5000

**Note:** Additional information on PepinNini Minerals Limited can be found on the website:  
[www.pepinnini.com.au](http://www.pepinnini.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, 01/06/10.

Name of entity

<b>PepinNini Minerals Limited</b>
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ABN

<b>55 101 714 989</b>
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Quarter ended ("current quarter")

<b>June 2011</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( <b>..12..</b> months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	<b>225</b>	290
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	<b>(972)</b>	(3,648)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	<b>83</b>	265
1.5 Interest and other costs of finance paid		
1.6 Income taxes (paid)/refund	<b>181</b>	181
1.7 Other (Government Grants)	<b>3</b>	61
<b>Net Operating Cash Flows</b>	<b>(800)</b>	(4,373)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
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)		
<b>Net investing cash flows</b>	<b>0</b>	0
1.13 Total operating and investing cash flows (carried forward)	<b>(800)</b>	(4,373)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>(800)</b>	(4,373)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	<b>0</b>	3,105
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 (provide details if material)		
	<b>Net financing cash flows</b>	<b>0</b>	3,105
	<b>Net increase (decrease) in cash held</b>	<b>(800)</b>	(1,268)
1.20	Cash at beginning of quarter/year to date	5,414	5,882
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>4,614</b>	<b>4,614</b>

**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	115
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.....	\$106,784.00
2. Managing Director and Administration Director Superannuation.....	\$8,214.00

**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**

		<b>\$A'000</b>
4.1	Exploration and evaluation	<b>900</b>
4.2	Development	-
4.3	Production	-
4.4	Administration	<b>300</b>
<b>Total</b>		<b>1,200</b>

**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	<b>1,114</b>	<b>1,414</b>
5.2 Deposits at call	<b>3,500</b>	<b>4,000</b>
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,614</b>	<b>5,414</b>

**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 15200 EPM 15469 EL 3536	Lapsed Compulsory partial relinquishment Lapsed(replaced ELA2011/00017)	5 sub-blocks 7 sub-blocks 1,382 km <sup>2</sup>	0 sub-blocks 4 sub-blocks 0 km <sup>2</sup>
6.2	Interests in mining tenements acquired or increased	ELA 2011/00017 EL 4749	Application(to replace EL 3536) Replaced expired EL 3472	1,382 km <sup>2</sup> 0 km <sup>2</sup>	40% (of 201km <sup>2</sup> )

+ 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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	<b>89,702,499</b>	<b>89,702,499</b>	<b>N/A</b>	<b>N/A</b>
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....Date: .. **Friday, 29 July 2011..**  
(Director/Company secretary)

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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+ See chapter 19 for defined terms.