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2 July 2012

The Company Announcements Office
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Attention - Company Announcements Officer

ENTITLEMENT ISSUE SHAREHOLDER LETTER

PepinNini Minerals Limited advise that the attached letter relating to the Company's two for three non-renounceable entitlement issue was mailed to shareholders today, 2nd July 2012.

Yours sincerely

A handwritten signature in black ink that reads 'Rebecca Holland-Kennedy'.

Rebecca Holland-Kennedy
Company Secretary/Director
PepinNini Minerals Ltd

2 July 2012

Dear Shareholder

PEPINNINI MINERALS LIMITED - PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 28 June 2012 PepinNini Minerals Limited (ACN (101 714 989)) (**PNN**) is undertaking a two for three pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of 59,801,666 fully paid ordinary shares (**New Shares**) to raise approximately \$1,913,653. The price of the New Shares under the Offer is \$0.032 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 28th June 2012.

The Offer is partially underwritten by Patersons Securities Limited (**Underwriter**). The Offer will be partially sub-underwritten by Mr Norman Kennedy and Ms Rebecca Holland-Kennedy (together the **Sub-underwriters**) who are both directors of PNN, pursuant to sub-underwriting agreements with the Underwriter. The Company must pay the Underwriter an underwriting fee of 6% of the total amount raised pursuant to the Offer excluding that sub-underwritten by the Sub-underwriters for which the Underwriter will be paid an underwriting fee of 1.5%. The Sub-underwriters will not receive any fees for partially sub-underwriting the Offer. PNN must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription \$750,000	Maximum Subscription \$1,913,653
1	Drill testing of priority nickel copper sulphide targets identified from the recently completed SkyTEM survey at the Musgrave Province Project, South Australia	300,000	520,000
2	Ground geophysical surveys and drill testing of copper/gold targets at the Santa Ines and Chivinar Projects, Salta Province Argentina	250,000	400,000
3	Reconnaissance mapping, surface sampling and drilling of the Qld tenements.	-	200,000
4	General working capital	59,532	583,366
5	Expenses of the Offer	140,468	210,287
	TOTAL	\$750,000	\$1,913,653

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (AEST) on 9th July 2012. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. The Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the US or to, or for the account or benefit of, US Persons except in accordance with the applicable exemption from the registration requirements of the US Securities Act pursuant to Regulation D and Rule 144, if applicable, and applicable US state securities laws.

It is the responsibility of Shareholders outside Australia and New Zealand to whom offers under the Offer are made to obtain all necessary approvals for the issue of Shares under this Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that the taking up of the Offer does not breach regulations in the relevant overseas jurisdiction.

Entitlements cannot be traded on ASX or any other securities exchange or privately transferred.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer and assuming maximum subscription, the Company will have issued approximately 59,801,666 New Shares resulting in total Shares on issue of approximately 149,504,165. A copy of the Prospectus is available on ASX's and PNN's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 12th July 2012. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus. The Prospectus will contain detailed instructions regarding the actions available and required of Eligible Shareholders.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

In the event that there is a shortfall in acceptances Eligible Shareholders may subscribe for additional New Shares.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX and ASIC	28 June 2012
Notice of Offer sent to security holders	2 July 2012
Existing shares quoted on an 'ex' basis	3 July 2012
Record date	9 July 2012
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	12 July 2012
Offer Period Closes	5.00pm (AEST) on 26 July 2012
Shares quoted on a deferred settlement basis	27 July 2012
Notification of under-subscriptions to ASX (if any)	31 July 2012
New Shares entered into Shareholders' security holdings – Allotment date Deferred settlement trading ends	3 August 2012
Quotation of New Shares issued under the Offer	7 August 2012

This timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the closing date will have a consequential effect on the Allotment date for New Shares

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Rebecca Holland-Kennedy, PNN's Company Secretary, on +61 8 8218 5000. Any queries in regard to your entitlement should be directed to Computershare on 1 300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely



NORMAN KENNEDY
CHAIRMAN AND MANAGING DIRECTOR