



Report for the Quarter Ending 30 June, 2007

30th July, 2007

Highlights

- ◆ Completion of an alliance with Sinosteel Corporation for the joint participation and co-operation in the development and operation of the Crocker Well and Mt Victoria Uranium Deposits and other commodities in the Curnamona Province of South Australia. The Joint Venture will be based in Adelaide and will undertake further exploration with the objective of preparing a Bankable Feasibility Study for the development of the Crocker Well Uranium Deposit. It is the intention of the Joint Venture to get into production as soon as possible to take advantage of the current uranium market.
- ◆ Identification of at least 100 tonnes of ore grade material beside excavation shafts at Crocker Well Uranium Deposit potentially suitable for the collection of bulk samples of sufficient size for metallurgical and pilot scale process testing.
- ◆ Commissioning of the Company's new Longyear LF90D diamond drilling rig with the completion of two fully cored boreholes at Crocker Well Uranium Deposit.
- ◆ Intersection of continuous uranium mineralisation from 10 metres to 99.2 metres with an average grade of 0.05%(eU₃O₈) at Crocker Well.
- ◆ Commencement of drilling at the Mt Marcus nickel copper sulphide target in the Musgrave Province of South Australia.
- ◆ At the end of the quarter the Company held \$33.2million in cash. In addition Sinosteel will contribute \$11million exploration expenditure over the next 2 years for uranium and other commodities within the Joint Venture tenements located in the Curnamona Province of SA.

Musgrave Province Project - Nickel

PepinNini Minerals Limited has a 100% interest in two granted exploration licences and three exploration licence application covering approximately 8,143 sq. kms of the Musgrave Province of South Australia. Current exploration activities are focused on investigating the Nickel-Copper sulphide potential of known ultramafic bodies.

The Company's drilling rig and equipment has been mobilized to the area and field camp facilities have been established. Drilling has commenced at the Mt Harcus Intrusion where shallow mixed sulphide mineralisation assaying up to 0.46% Cu and 0.13% Ni was intersected during a previous drilling program in May, 2006.

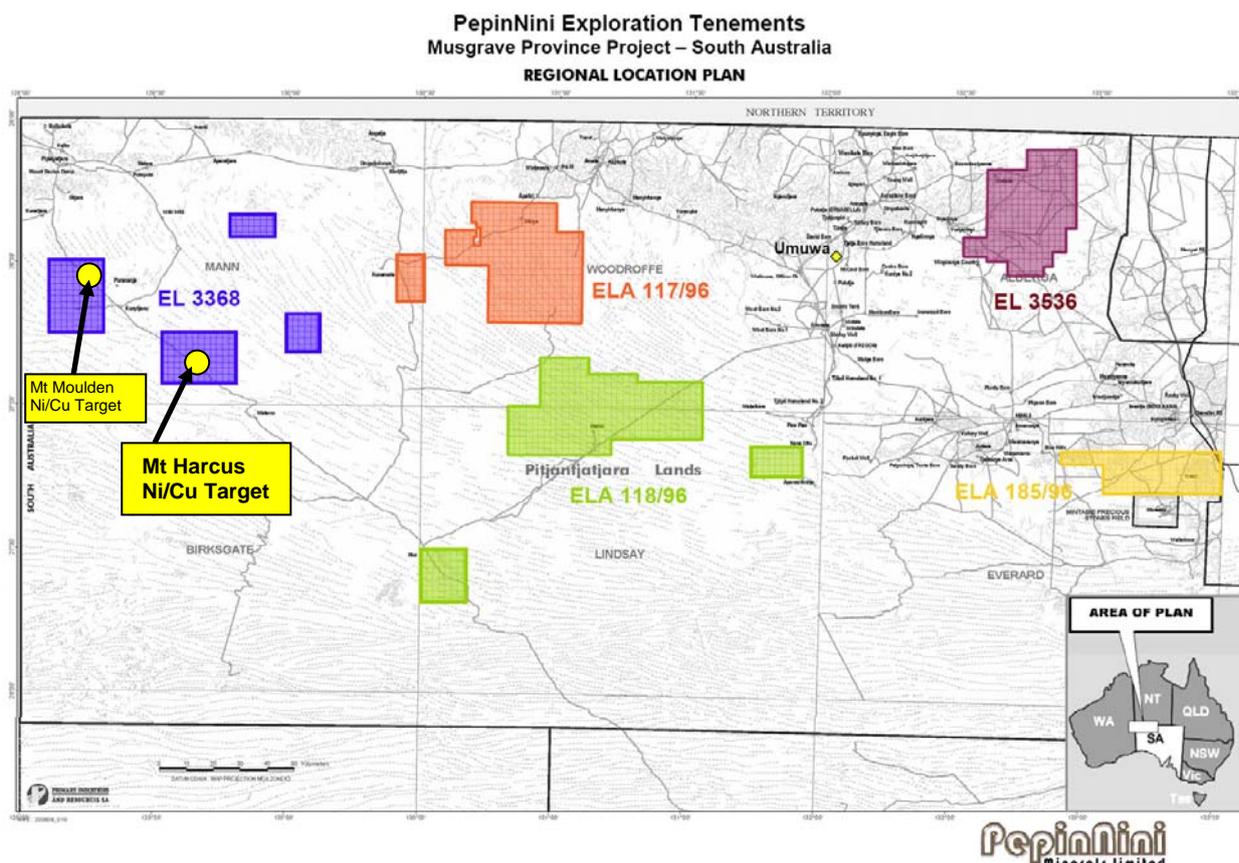
Extensive ground magnetic surveying and soil auger sampling undertaken during November 2006 has highlighted a significant section of the intrusion where copper and nickel geochemistry is anomalous.

A broad coherent zone of anomalous copper and nickel in soil has been identified covering approximately 1.4km of the 7km long Harcus Intrusion. The anomalous zone is an average 250-300m in width and represents a large and easily accessible target within the intrusion that is potentially related to massive nickel-copper sulphide mineralisation.

The results provide good target definition to focus continued drill testing as part of the follow-up strategy testing the occurrence of mixed massive and disseminated sulphides encountered in reverse circulation drilling during 2006.

At least eight deep cored diamond drill holes are planned to test beneath the geochemical and ground magnetic anomalies.

Boreholes are also planned for the previously identified Mt Moulden Target and another target identified approximately 10 kilometres to the north of the Harcus Anomaly.





Pepinini Drilling Equipment arriving in the Musgrave Province SA

Curnamona Province Project

Sinosteel Corporation and PepinNini Minerals Limited have completed all formalities and finalised their Joint Venture Alliance to manage and operate the development of the Crocker Well and Mt Victoria Uranium Deposits and other commodities in the Curnamona Province of South Australia. A completion ceremony attended by representatives from both Companies as well as South Australian Government officials was held in Adelaide on 6th June, 2007.

Office premises have been established in Adelaide for the Joint Venture Management Company which will undertake further exploration with the objective of preparing a Bankable Feasibility Study for the development of the Crocker Well Uranium Deposit to produce at least 600 tonnes of U_3O_8 per year for at least 10 years. It is the intention of the Joint Venture to get into production as soon as possible to take advantage of the current uranium market.

With the completion of the joint venture alliance PepinNini Minerals Limited now has a 40% interest in four granted exploration licences and one exploration licence application covering approximately 3,778 sq. kms of the Curnamona Province of South Australia.

The Project includes:

- An Advanced Uranium Project at Crocker Well with an Inferred JORC Compliant Resource of 19,800,000 lbs of U_3O_8 using a cut-off grade of 250ppm. (14,850,000 lbs using a cut-off grade of 300ppm)

- 26 additional known primary uranium prospects within granted tenements yet to be explored. High grade surface samples (greater than 2.4% U₃O₈) have been reported from newly discovered Becaroo and Anomaly A Prospects
- Potential for secondary palaeochannel style deposits as well as unconformity related uranium mineralisation
- More than 30 priority base metal (copper, lead, zinc) targets ready to drill.

Under the Joint Venture Agreement Sinosteel Corporation will contribute \$11million exploration expenditure over the next 2 years investigating uranium and other commodities within the Joint Venture tenements.



Completion Ceremony – Adelaide – 6th June, 2007

Representatives from Sinosteel Corporation, PepinNini Minerals Limited and South Australian Government.

During the quarter mullock heaps located beside excavation shafts at Crocker East Uranium Deposit were systematically sampled and found to contain at least 100 tonnes of ore grade material potentially suitable for the collection of bulk samples of sufficient size for metallurgical and pilot scale process testing. A total of 55 samples of between 5 and 7 kgs were collected with U₃O₈ assay results ranging up to 11.17kgs per tonne (1.1%).

The mullock heaps have been constructed according to grade with higher grade material being separated from lower grade material. The discovery of the representative ore grade material potentially represents a significant saving in terms of time and expenditure required for collecting bulk samples of sufficient size for metallurgical and pilot scale process testing.

Also during the quarter two diamond drill holes were completed at Crocker Well Project as an initial part of a verification program to upgrade the uranium resource contained within the Crocker Well Deposit from Inferred to an Indicated or Measured category.

The two holes were also used as a commissioning test for the new Longyear LF90D diamond drill rig purchased by PepinNini Minerals Limited.

One of the boreholes was successfully gamma logged to total depth. The downhole gamma logging results indicate the borehole contains significant continuous uranium mineralisation from 10 metres to 99.2 metres with an average grade of 0.05%(eU₃O₈). Using a 250ppm cutoff the grade averages 0.06%(e U₃O₈) for a total thickness of 67.55 metres. There is a total of 15.75 metres grading in excess of 0.1%(e U₃O₈). The indicated grades are similar to those reported from the previous two holes drilled at the site but the thickness is greater because the hole intersected substantially more mineralization at depth. The previous cored borehole drilled at the site was terminated at 84 metres and an RC hole also drilled at the site did not return the same indicated mineralization below 80 metres.

The indicated thickness and grade of uranium mineralisation from the downhole gamma logging is consistent with a large low grade deposit amenable to open cut extraction. Core from the two recently completed boreholes have been split and submitted to a laboratory for analysis.



PepinNini Chairman Norman Kennedy and Sinosteel Uranium SA Managing Director Gao Fusheng at Crocker Well drilling operations, June 2007

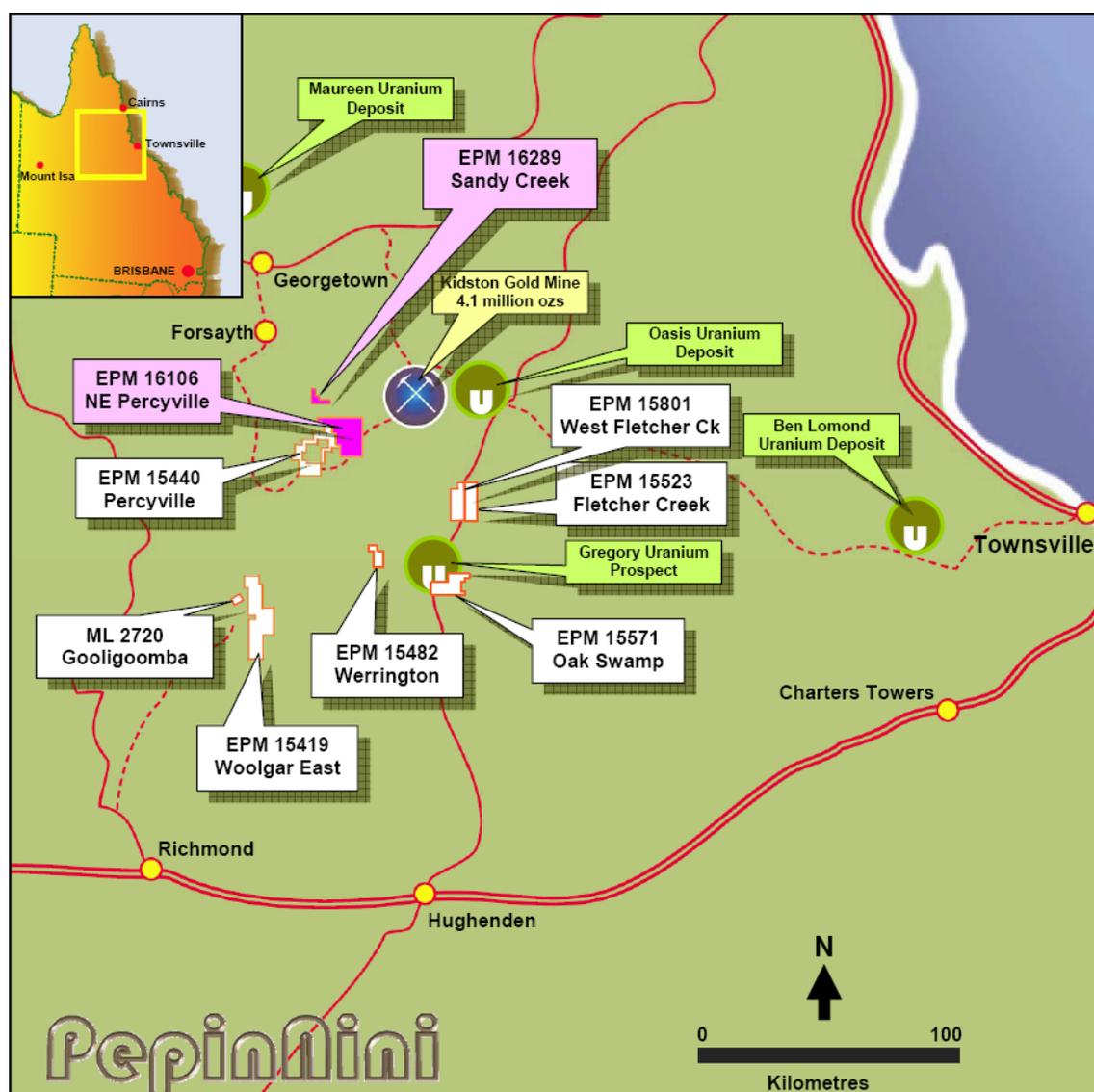
Georgetown Inlier/Woolgar Goldfield Project

PepinNini has established a substantial presence in the Georgetown Inlier/Woolgar Goldfield region in north Queensland with 100% interest in seven tenements covering more than 900 square kilometres of prospective ground. Uranium occurrences which have been inadequately tested by previous explorers and favorable geological settings for uranium mineralization occur in all of the application areas. The uranium targets are hard rock volcanic type deposits similar to the nearby Maureen and Ben Lomond Uranium Deposits. Ben Lomond represents one of the highest value per tonne uranium resources in Australia with an average grade of 0.25% U_3O_8 and molybdenum credits of 0.15%.

In addition to the uranium potential the new application areas have potential to host large intrusion related gold deposits such as the nearby Kidston Gold Deposit from which 4.1 million ozs were produced.

There are numerous gold prospects located within the PepinNini tenements as well as tungsten, lead, zinc and copper prospects.

During the quarter two EPMS 15419 and 15523 were granted and it is expected that EPMS 15440, 15571 and 15801 will be granted during the next quarter. The Company has applied for two additional EPMS 16106 and 16289 covering approximately 297 square kilometres which are in competition with other applicants.



Corporate Matters

ADELAIDE OPERATIONS OFFICE

The Company has established a new Operations Office in Adelaide located at Level 1, 117 King William Street, ADELAIDE. SA 5000. Telephone: 08 8218 5000, Fax: 08 8212 5717.

RESIGNATION OF GENERAL MANAGER

The Board of PepinNini has accepted the resignation of Mr Phillip Sutherland from his position as General Manager of the Company effective from 31st July, 2007. The directors thank Mr Sutherland for his contribution to the development of the Company over the past six months and wish him well in his future endeavours

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.

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

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 |
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Quarter ended ("current quarter")

| |
|------------------|
| June 2007 |
|------------------|

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (... 12... 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 | (434) | (1,428) |
| 1.3 Dividends received | (236) | (1,048) |
| 1.4 Interest and other items of a similar nature received | 152 | 334 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other - Drilling Refund PACE – SA Govt | | |
| Net Operating Cash Flows | (518) | (2,142) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets | (83) | (94) |
| 1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets | (808) | (1,071) |
| 1.10 Loans to other entities | 25,000 | 25,000 |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) – Fee for exclusivity period extension - Sinosteel Corporation purchase of Crocker Well Uranium project – South Australia | | 2,000 |
| Expenses related to sale of prospect | (1,122) | (1,122) |
| Net investing cash flows | 22,987 | 24,713 |
| 1.13 Total operating and investing cash flows (carried forward) | 22,469 | 22,571 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------------|--------|
| 1.13 | Total operating and investing cash flows (brought forward) | 22,469 | 22,571 |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 917 | 9,567 |
| 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) – issue expenses paid | | (316) |
| | Net financing cash flows | 917 | 9,251 |
| | Net increase (decrease) in cash held | 23,386 | 31,822 |
| 1.20 | Cash at beginning of quarter/year to date | 9,859 | 1,423 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 33,245 | 33,245 |

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 | 118 |
| 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 and non-executive directors' remuneration & expenses | \$74,582 |
| 2. Office, accounting & secretarial services & exploration expenses paid to an entity related to Directors | \$ 43,329 |

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 | 75 | 90 |
| 5.2 Deposits at call | 33,170 | 9,769 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 33,245 | 9,859 |

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 | EL 3171 | Sale of 60% interest | 100% | 40% |
| | EL 3278 | Sale of 60% interest | 100% | 40% |
| | EL 3472 | Sale of 60% interest | 100% | 40% |
| | EL 3587 | Sale of 60% interest | 100% | 40% |
| | ELA 928/04 | Sale of 60% interest | 100% | 40% |
| 6.2 Interests in mining tenements acquired or increased | EPM15419 | Application granted | 0 | 100% |
| | EPM15523 | Application granted | 0 | 100% |
| | EL 3536 | Purchase of tenement | 0 | 100% |
| | | | | |

+ 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 | 63,482,499 | 63,482,499 | 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> | 5,325,000 500,000 | Nil Nil | <i>Exercise price</i> 20cents 40cents | <i>Expiry date</i> 9 Dec 2007 31 Dec 2007 |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | 4,583,333 | 4,583,333 | 20cents | 20cents |
| 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:

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Date: **30th July 2007..**

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.