

ASX ANNOUNCEMENT

18th October 2013

Trial Metallurgical Results Billeroo Prospect Curnamona Iron Ore Project

- Trial metallurgical test work on sample material from drilling at the “Billeroo Prospect” supports the potential for high quality coarse magnetite at the project
- High magnetic separation using Davis Tube Recovery (DTR) indicates a coarse grind size of 150µm can recover 94.7% of the iron at a grade of 67% Fe
- Low magnetic separation (LIMS) indicates a grind size of 125µm can recover 92.1% of the iron at a grade of 68.3% Fe
- Both DTR and LIMS processing yields concentrates with generally very low levels of silica, alumina, phosphorous and sulphur

Further to our previous ASX release (22nd April 2013) announcing initial DTR test results from drilling of iron mineralisation at the Billeroo Prospect, PepinNini is pleased to advise that further bulk sample test work to assess indicative metallurgical characteristics of the magnetite mineralisation has been undertaken.

The Billeroo Prospect is part of the Curnamona Project and is located within EL4239 Kalabity (See Figure 2). The Project is a joint venture between Sinosteel Corporation (60%) and PepinNini Minerals (40%). Sinosteel-PepinNini Curnamona Management Pty Ltd (SPCM) undertakes exploration for the project on behalf of the Joint Venture partners.

An 80kg “sighter sample” was created by compositing percussion drill cuttings of mineralised intersections from four representative reverse circulation (RC) boreholes drilled during February 2013 at the Billeroo Prospect (Figure 1). The sample material was combined, uniformly mixed and split to provide a representation of the iron mineralisation encountered at the Billeroo Prospect. The composite formed a source sample with a head grade of 35.6% iron.

Drill Hole Details						Sample Interval			Averaged Grade Fe%	Mixed Sample Head Grade						
Hole_No	MGA East	MGA North	Dip	Az_Mag	Total Depth (m)	From (m)	To (m)	Interval (m)		Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI % 1000°C	
RC13BIL002	398346	6469447	-60	262	118	93	109	16	27.3	}	35.6	36.7	5.9	0.054	0.55	-1.96
RC13BIL004	398648	6468485	-60	50	226	29	39	10	29.5							
						120	133	13	34.8							
RC13BIL005	398812	6468410	-60	230	142	26	53	27	37.9							
RC13BIL006	398847	6468465	-60	230	172	121	134	13	43.2							

NB Metre intervals are down hole depths (not true width)
Datum GDA zone 54

The mixed sample was assessed by ALS Metallurgy using both high magnetic separation (Davis Tube Recovery) and low magnetic separation processing streams.

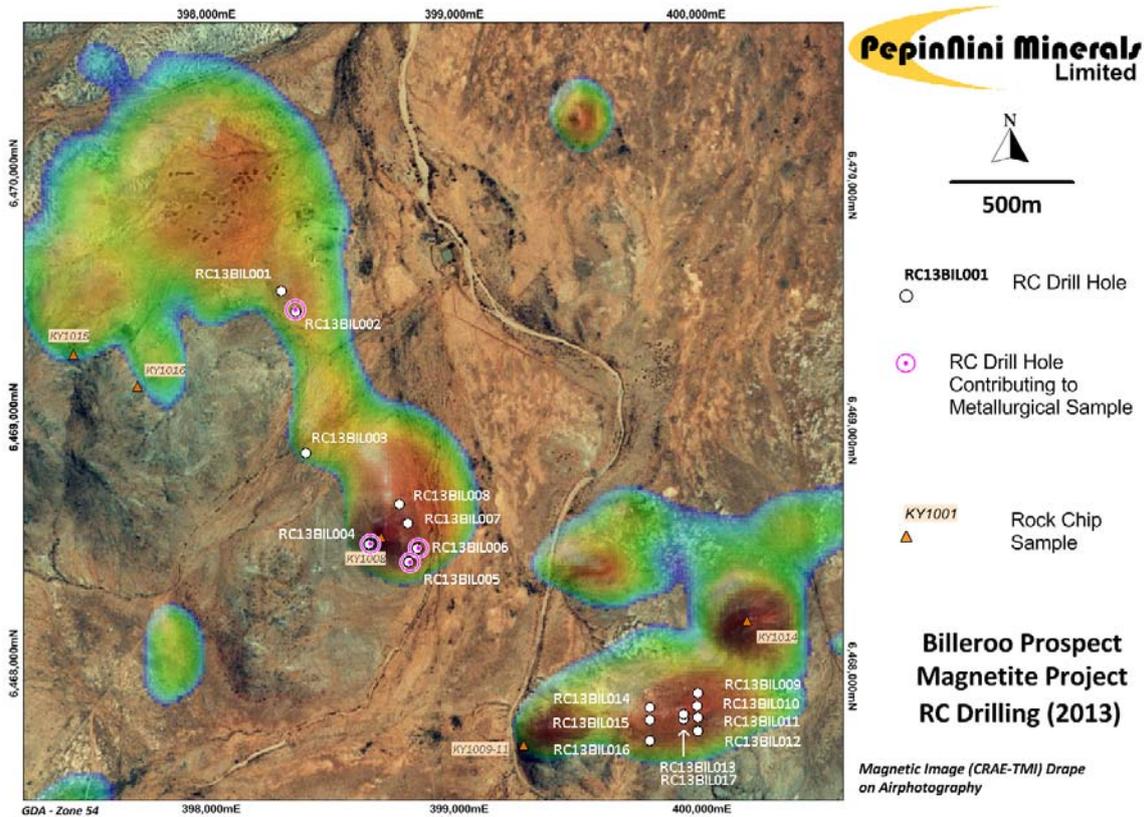


Figure 1 Source locations of trial composite metallurgical sample, Billeroo Prospect, Curnamona.

Davis Tube Recovery Process Results

Six sub-sample splits were pulverised to a range of particulate sizes between 250µm (p80) and 25 µm (p80) and passed through the Davis Tube Recovery magnetic separation at 3000 gauss.

Grind Size (P80)	Mass Recovery	Concentrate Analytical Results					
		Iron		Silica (SiO2)	Alumina (Al2O3)	Phosphorous (P)	Sulphur (S)
		(Fe)	recovery				
250µm	53.4%	62.0%	92.9%	10.05%	1.52%	0.010%	0.09%
150µm	50.4%	67.0%	94.7%	5.13%	0.86%	0.005%	0.08%
75µm	48.3%	70.6%	95.7%	1.56%	0.34%	0.001%	0.07%
45µm	47.3%	71.4%	94.8%	0.66%	0.23%	0.001%	0.07%
32µm	47.4%	71.5%	95.0%	0.66%	0.23%	0.001%	0.07%
25µm	48.5%	71.3%	96.9%	0.70%	0.24%	0.001%	0.07%

Low Magnetic Separation (LIMS) Process Results

Three sub-sample splits were pulverised to a variety of particulate sizes between 125µm (p80) and 90 µm (p80) and passed through the LIMS magnetic separation at 900 gauss.

Grind Size (P80)	Mass Recovery	Concentrate Analytical Results					
		Iron		Silica (SiO2)	Alumina (Al2O3)	Phosphorous (P)	Sulphur (S)
		(Fe)	recovery				
125µm	48.8%	68.3%	92.1%	4.01%	0.65%	0.005%	0.08%
106µm	48.3%	69.2%	92.7%	2.89%	0.50%	0.003%	0.08%
90µm	47.6%	70.1%	92.8%	1.71%	0.34%	0.002%	0.07%

The trial results show;

- That a favourable concentrate can be achieved at a coarse grind size (150µm) with 94.7% of the contained iron recovered at a grade of 67.0% Fe when applying high magnetic separation (DTR) processing.
- That 92.1% recovery of the available iron at a concentrate grade of 68.3% can be achieved at a grind size of 125µm when applying low magnetic separation (LIMS) techniques.

The DTR and LIMS metallurgical test work suggest that the Billeroo magnetite mineralisation can produce a coarse high-quality concentrate and confirms the project to be worth pursuing to establish whether substantial quantities of the representative mineralisation tested can be identified and defined.

The information in this report that relates to Exploration Results is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is the Technical 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". Phil Clifford 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

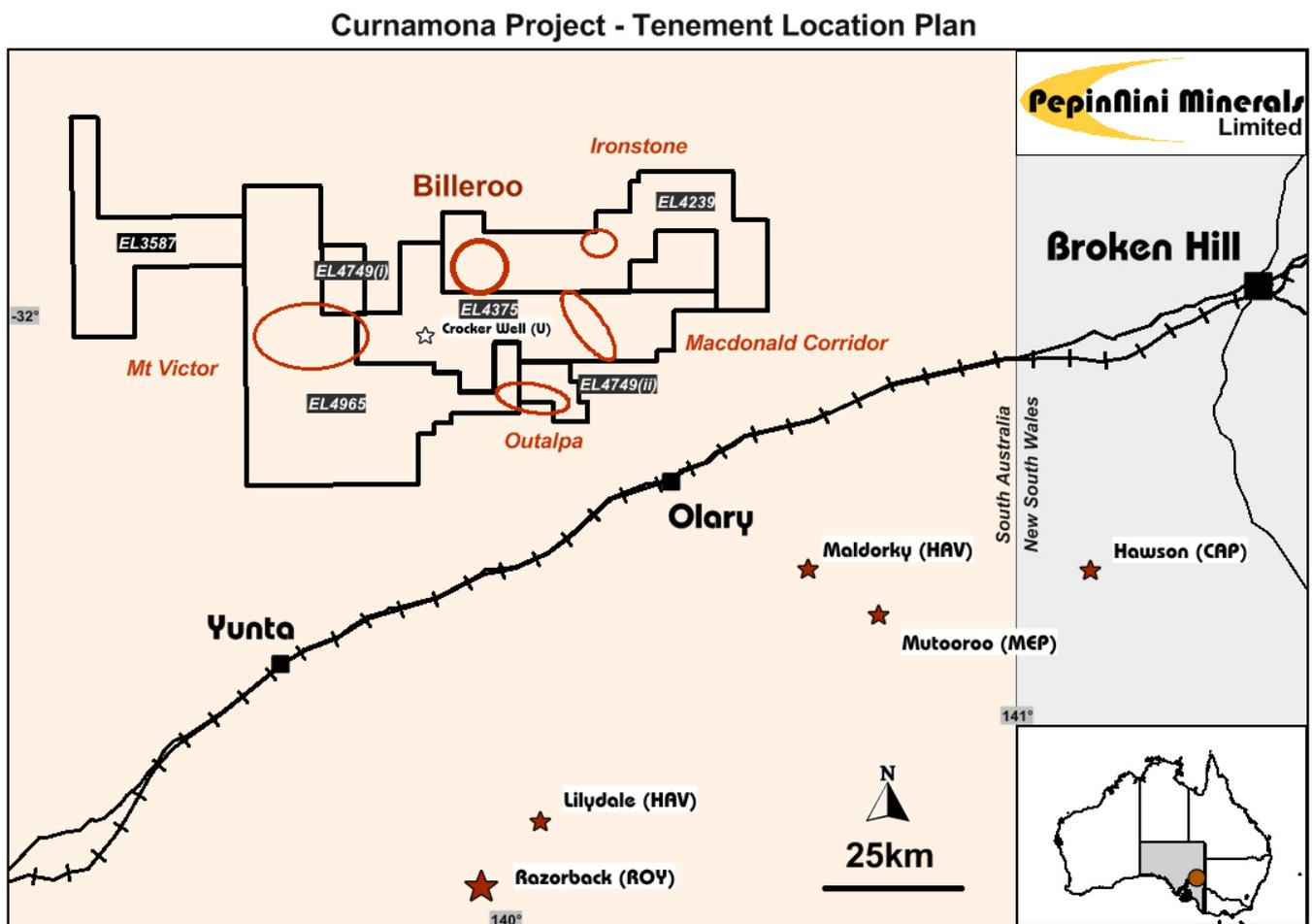


Figure 2. Location of the Curnamona Iron Ore Project