
NEWS

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URANIUM PRODUCTION COULD BEGIN

AT CROCKER WELL IN 2010 - PEPINNINI

The Crocker Well uranium deposit near Broken Hill promises a total of nearly 20 million pounds of uranium, with the potential to be in production by the end of 2010, according to PepinNini Minerals Limited.

Addressing the second day of the *2008 Paydirt South Australian Resources and Energy Investment Conference*, PepinNini's Managing Director, Mr Norman Kennedy, said the Company's Curnamona Province Project centred on the Crocker Well and Mount Victoria uranium deposits, was now "very advanced".

"Crocker Well now has a JORC compliant Inferred resource of 19.8 million pounds of U3O8 with the potential to be in production within three years under our joint development strategic alliance for the deposit with Sinosteel Corporation," Mr Kennedy said.

"In addition, the prospectivity of the surrounding area is being continually enhanced, with 26 additional known primary uranium prospects within the project area, with the potential for secondary palaeochannel style deposits," Mr Kennedy said.

"The newly discovered Becaroo and Anomaly A prospects have yielded high-grade surface samples of over 2% uranium."

The 3,778 square kilometre Curnamona Project has been scaled up significantly since June, when PepinNini entered into a Joint Venture with the multi-billion-dollar Sinosteel Corporation to jointly develop its uranium deposits, together with more than 30 base metal and gold targets in the project tenements.

As part of a \$40 million investment for a 60% stake in the Curnamona Project, Sinosteel has committed \$11 million to explore and develop the project over a 2 year period. Of this, \$5 million is being spent on exploratory drilling and metallurgical testing at Crocker Well, together with a process of regulatory approvals and a Bankable Feasibility Study now underway.

The remaining \$6 million of the Sinosteel investment will be spent on extensive drilling of identified prospects that have shown the potential for copper/gold or lead/zinc mineralisation.

Nickel focus in northwest of SA

As well as its 40% interest in the development of Crocker Well, PepinNini has also stepped up exploration at its wholly-owned Musgrave Province Nickel Project in the northwest of SA, where initial drill-testing has confirmed the presence of significant nickel copper sulphides at the Mount Moulden and Mount Marcus prospects.

“Our first five holes at Mount Marcus intersected massive sulphides with nickel, copper and cobalt potential,” Mr Kennedy said.

“Our third high-priority target, Mount Caroline, has the largest outcropping layered ultramafic intrusion in the State, measuring 18 kilometres by 8 kilometres, and published reports consider this prospect to have the highest potential for hosting significant nickel sulphide mineralisation.”

Drilling and surveying of nickel targets are being ramped up at the Musgrave Project under a \$3 million exploration program this year, and PepinNini has recently purchased another rig for regional bedrock drilling in the Musgrave tenements.

“Although PepinNini has expanded into gold and iron ore projects in Western Australia and uranium and phosphate projects in Queensland over the past year, we are still very much committed to South Australia,” Mr Kennedy told the Paydirt Conference.

“More than 70% of the area we hold under exploration title in Australia – 12,000 out of 16,500 square kilometres – is in South Australia, and more than 80% of a total exploration budget of \$17 million over the next 18 months will be spent in this State.”

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