



ASX ANNOUNCEMENT

7 February, 2007

Uranium Project Update

Sinosteel Corporation (Sinosteel) and PepinNini Minerals Limited (PepinNini) have signed in Beijing a legally binding Investment CoOperation Agreement (Agreement) in accordance with the non-binding Memorandum of Understanding executed last September. The Agreement reinforces both parties intention to establish a strategic alliance for the joint participation and co-operation in the possible development and operation of the Crocker Well and Mt Victoria Uranium Deposits and other commodities in the Curnamona Province of South Australia. It also facilitates an application to the Chinese Government for approval of the alliance.

Under the Agreement Sinosteel Corporation will pay a non refundable A\$1 million for an exclusivity period of 60 days expiring on 7th April, 2007 to obtain approvals from the Chinese and Australian Governments and for both parties to finalise an unincorporated joint venture to manage the project. If required Sinosteel can extend the exclusivity period for two additional periods of 30 days each by payment of an additional A\$500,000 for each additional period. If Government approvals are not received or joint venture documentation not finalised by the end of 120 days the non-refundable payments will be converted into PepinNini shares to be issued to Sinosteel at A\$2.00 per share and the Agreement will be terminated. Previously paid exclusivity payments will be converted to PepinNini shares in accordance with the MOU announced 13th September 2006.

The terms of the acquisition remain the same as previously negotiated under the Memorandum of Understanding signed Sept 2006. Subject to obtaining Government approvals and the finalisation of an unincorporated exploration joint venture, Sinosteel will pay PepinNini A\$28.5 million for a 60% stake in the Curnamona Province project and tenements. In addition Sinosteel will contribute A\$5 million expenditure towards drilling and preparation of a Bankable Feasibility Study on the Uranium resource and A\$6 million expenditure on exploration for commodities other than uranium over a two year period within the project tenements. To allow exploration and the commencement of a Bankable Feasibility Study to proceed without delay any expenditure incurred by PepinNini on the Project during the period of exclusivity will be reimbursed from the A\$5 million expenditure commitment for Uranium.



Mr Norman Kennedy Chairman Pepinnini Minerals Limited and Mr Li Zhimin Vice President Sinosteel Corporation sign Investment Cooperation Agreement in Beijing, China

The information in this report that relates to Exploration Results is based on information compiled by Norman Kennedy BSc MAusIMM. Norman Kennedy is the 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