



# Pepinini

**Minerals limited**

ABN 55 101 714 989

**Financial report for the half year  
ended 31 December 2010**

**SQUATTER**

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## Directors' report

The directors of PepinNini Minerals Limited (PepinNini) submit herewith the financial report of the company and its subsidiaries (the Group) for the half-year ended 31 December 2010. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The following persons were directors of PepinNini during the whole of the half-year and up to the date of this report:

- Mr Norman Kennedy
- Mr Christopher Lambert
- Ms Rebecca Holland-Kennedy
- Mr Albert George Harris

### Review of operations

The principal activity of the Group during the reporting period has been exploration for base metals, uranium, iron ore and gold in South Australia, Queensland and Western Australia.

#### 1. Musgrave Province Nickel/Copper Project

PepinNini is currently undertaking exploration programs designed to target nickel-copper sulphide mineralisation and base metal mineralisation in the Musgrave Province, South Australia. PepinNini has four granted exploration licences (EL3536, EL3931, EL4048, EL4587) covering 5,669 km<sup>2</sup> and six exploration licence applications (ELA118/96, ELA185/96, ELA278/82, ELA491/94, ELA367/09, ELA368/09) covering 3,932 km<sup>2</sup>. PepinNini subsidiary PepinNini Resources Pty Limited is earning a 51% interest in EL3931 and ELA278/82 and ELA491/94 under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited.

During the period, exploration activity focused on EL3931 'Woodroffe' and EL4048 'Mt Caroline', predominantly within green-field areas not previously explored. Exploration activities primarily targeted base metal mineralisation within Birksgate Complex metavolcanic and metasedimentary sequences, shear-hosted gold mineralisation and nickel-copper sulphide mineralisation within Giles Complex mafic-ultramafic rocks. The Giles Complex is considered to be highly prospective for Ni-Cu sulphide and PGE mineralisation following the discovery of the Nebo-Babel deposit in Western Australia by WMC (392Mt @ 0.3%Ni and 0.33%Cu).

In collaboration with the University of Adelaide, a regional biogeochemical program has been initiated within EL3931 and EL4048. Spinifex species were primarily sampled over selected areas to assess this technique for wider usage in the Musgrave Province. Biogeochemical sampling is considered to be a highly efficient and effective reconnaissance exploration technique in the Musgrave Province as the bedrock is commonly obscured by regolith and vegetation. During the reporting period, 200 samples were collected from 7 transects over a variety of geophysical, geochemical and lithological targets. Exploration activities within EL4048 during the reporting period were focused within the mafic-ultramafic Giles Complex Caroline Intrusion and along the Mann Fault Zone. Seventy four vacuum boreholes were completed for 709.5m and two diamond boreholes were completed for 434.1m.

Field exploration activities within EL 3931 during the reporting period included the drilling of 651 vacuum boreholes totaling 5,315m and 6 diamond boreholes totaling 1,634.7 metres. Anomalous zinc concentrations (up to 800ppm) were recorded in graphitic schist units of the Birksgate Complex. The graphitic units intersected are associated with highly heterogeneous metavolcanic and metasedimentary units which can be associated with Broken Hill-style Zn-Pb-Ag mineral systems elsewhere in Proterozoic Blocks of Australia. Diamond boreholes collared within the basal units of the Giles Complex Caroline Intrusion continue to return anomalous assays, including 0.12m @ 1800ppm Ni, 2160ppm Cr from 51.2m in DD10WOD015. These results highlight the potential for Giles Complex rocks to host Ni-Cu sulphide mineralisation.

#### 2. Curnamona Province Uranium and Base Metals Project

Exploration within the Curnamona Province Project area, which includes the Crocker Well Uranium Deposit, is being managed by Sinosteel PepinNini Curnamona Management Pty Ltd (SPCM) on behalf of the Joint Venture partners Sinosteel Corporation (60%) and PepinNini Minerals (40%).

Investigation of regional uranium projects in the vicinity of the Crocker Well Project continued during the reporting period. Reverse circulation (RC) percussion drill testing of regional uranium prospects returned encouraging U + REE (Ce, La, Y) assay results at the Becaroo Prospect. At Mt Victoria drilling intersected mineralised lodes as defined by handheld scintillometer and downhole geophysical logging. Assay results of core samples from 5 boreholes drilled at the Mt Victoria deposit returned significant intersections of U<sub>3</sub>O<sub>8</sub> + TREO including 7m @ 4.9kg/T U<sub>3</sub>O<sub>8</sub>, 1.76%TREO from 10m downhole depth in hole DD09MTV001 and 9m @ 2.8kg/T U<sub>3</sub>O<sub>8</sub>, 1.0%TREO from 14m downhole depth in hole DD09MTV002.(TREO = Total Rare Earth Oxides)

A drilling program of four deep precollared diamond boreholes to investigate priority drill targets defined by ground gravity data over EL3587 (Scott Hill) commenced during the reporting period. Drilling operations were affected by inclement weather and difficult drilling conditions. The initial borehole of the project was stopped on 21st December, 2010 at a depth of 480.6 metres and failed to intersect significant lithological or geological variation to explain the defined gravity target. The borehole will be deepened when drilling recommences in early February, 2011 when weather conditions are expected to be more amenable.

Inclement weather conditions also affected the progress of an extensive aircore drilling program being undertaken within EL4239 (Kalaby) to investigate uranium and base metal targets. During the reporting period 76 boreholes were completed at three target areas for 1,856 metres of drilling. Handheld spectrometer readings of drill cuttings suggest anomalous uranium values are present. A total of 943 drill samples have been submitted for assay with results awaited. Heritage Clearances, postponed due to inclement weather conditions, are being re-organised for the remaining seven target areas to facilitate the completion of the aircore drill program.

### **3. North Queensland Project**

PepinNini currently has a 100% interest in 23 exploration tenements and 1 mining lease covering approximately 2,098 sq kms.

During the reporting period a reverse circulation (RC) drilling program of 25 boreholes for a total of 3,256 metres was completed at the Forsyth and Percyville Projects in north Queensland. The drilling program was designed to investigate high grade gold, silver and copper mineralisation identified in surface outcrop or within shallow historic workings from EPM15547 'The Return' and over portions of EPM15440 'Percyville'.

Encouraging results have been reported for both project areas and include the following high grade gold, silver and copper intersections;

- Borehole RC10RT004 intersected a 2 metre interval grading 10.1g/t gold, 33g/t silver and 0.6% copper at a depth of 21 metres.
- Borehole RC10RT010 intersected a 3 metre interval grading 2.04g/t gold and 6g/t silver at a depth of 45 metres, a 3 metre interval grading 7.16g/t gold, 12.6g/t silver and 0.21% copper at a depth of 63 metres (including a 1 metre interval grading 20.3g/t gold, 35g/t silver and 0.6% copper) and a 2 metre interval grading 1.3g/t gold, 3.2g/t silver at 152 metres.
- Borehole RC10RT013 intersected a 1 metre interval grading 8.1g/t gold at a depth of 36 metres.
- Borehole RC10PV003 intersected a 2 metre interval grading 0.93g/t gold at 20 metre depth, a 4 metre interval grading 4.65g/t gold and 69.75g/t silver at a depth of 33 metres (including 1 metre at 14.85g/t gold and 223g/t silver), and a 1 metre interval grading 4.66g/t gold and 9g/t silver at 52 metre depth.
- Borehole RC10PV006 intersected a 2 metre interval grading 6.45g/t gold and 1.35g/t silver at a depth of 13 metres.
- Borehole RC10PV007 intersected a 2 metre interval grading 3.48g/t gold and 4.66g/t silver at a depth of 14 metres.

These encouraging drill intersections are interpreted to represent the lateral and vertical extensions of mineralised zones detected on the surface.

During the reporting period three tenements, EPMs 15170, 15990 & 16289, were surrendered following geological assessment of data from field reconnaissance programs which substantially reduced the potential for significant mineralisation being discovered as red. Accordingly, exploration expenditure previously capitalised against these tenements has been fully impaired as an expense in the company accounts.

### **4. Robinson Range Iron Ore Project**

During the reporting period PepinNini finalised two Joint Venture Agreements to explore and develop the iron ore potential of seven tenements covering approximately 700km<sup>2</sup> in the Midwest region of WA. The Joint Venture Agreements give effect to a Heads of Agreement signed in December 2007 and are essentially on the same terms and conditions contained within that agreement. PepinNini will hold a 50% interest in the iron ore contained within three tenements and a 40% interest in the iron ore contained within the other four tenements. PepinNini will manage exploration on behalf of the Joint Venture partners.

The formalisation of the Joint Ventures facilitates the exploration and development of the identified Direct Shipping Ore (DSO) potential of the tenements. Twelve prospect areas with surface samples containing >60% Fe have been identified for priority investigation within tenements explored by PepinNini during the Farm-in period.

The Robinson Range Iron Ore Project (Project) is situated in the Midwest Region of Western Australia approximately 550kms north east of the Oakajee Port and Rail development at Geraldton. The Midwest Region has emerged as Western Australia's next major iron ore province (second to the Pilbara).

The project covers part of the Bryah-Padbury Basin and contains approximately 40km strike length of Robinson Range Formation considered highly prospective for iron ore. The sequence includes banded iron and granular iron formation units which variably outcrop within the licences. Supergene enriched Hematite and Hematite-Goethite mineralisation associated with these units form the primary target of the project.

Surface sampling and mapping at the twelve prospect sites investigated during the farm-in period confirmed that high grade iron mineralisation occurs within the project area. Rock chip sample results of up to 67.3% Fe have been returned with all areas sampled returning some values in excess of 60% Fe.

The JV intends to undertake reverse circulation drilling across at least seven prospects where iron mineralisation is outcropping and where potential extensions to the mineralisation may be concealed beneath shallow alluvial sediments.

*The information in this report that relates to Exploration Results and Mineral Resources 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.*

Further information relating to the Company's projects and future directions has been made publicly available on PepinNini's web site at [www.pepinnini.com.au](http://www.pepinnini.com.au)

### **Auditor's independence declaration**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 4 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



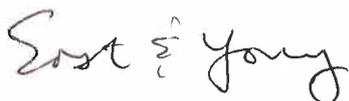
Norman Kennedy

Managing Director

Adelaide, 9th March 2011

## Auditor's independence declaration to the Directors of PepinNini Minerals Limited

In relation to our review of the financial report of PepinNini Minerals Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten version of the Ernst & Young logo, with 'Ernst' and 'Young' written in cursive and a stylized 'EY' symbol in between.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Nigel Stevenson'.

Nigel Stevenson  
Partner  
Adelaide  
9 March 2011

## Independent auditor's review report to the members of PepinNini Minerals Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PepinNini Minerals Limited (the Company), which comprises the balance sheet as at 31 December 2010, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PepinNini Minerals Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

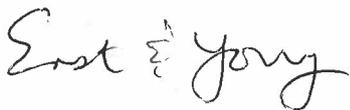
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PepinNini Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Nigel Stevenson.

Nigel Stevenson  
Partner  
Adelaide  
9 March 2011

## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Norman Kennedy  
Managing Director  
Sydney, 9<sup>th</sup> March 2011

## Consolidated statement of comprehensive income for the half-year ended 31 December 2010

	Consolidated Half-year ended 31 Dec 2010 \$	Consolidated Half-year ended 31 Dec 2009 \$
<b>Continuing operations</b>		
Revenue	323,874	221,891
Other income	1,874	-
<b>Expenses</b>		
Depreciation expense	31,808	3,826
Salary and employment costs	319,025	217,042
Operating expenses	407,280	444,340
Professional fees	43,590	56,598
Impairment of exploration asset	838,933	134,656
Legal fees	30,579	15,498
Other expenses	-	545
<b>Total expenses</b>	<b>1,671,215</b>	<b>872,505</b>
Loss before tax	(1,345,467)	(650,614)
Income tax benefit	310,359	193,140
Loss for the period from continuing operations	(1,035,108)	(457,474)
<b>Loss for the period</b>	<b>(1,035,108)</b>	<b>(457,474)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the half-year</b>	<b>(1,035,108)</b>	<b>(457,474)</b>
<b>Earnings per share for loss attributable to members of PepinNini Minerals Limited</b>		
Basic (cents per share)	(1.3)	(0.57)
Diluted (cents per share)	(1.3)	(0.57)

Notes to the consolidated financial statements are included on pages 12 to 14.

## Consolidated balance sheet as at 31 December 2010

	Consolidated	
	31 December 2010	30 June 2010
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	3,447,242	6,019,452
Trade and other receivables	174,953	142,910
<b>Total current assets</b>	<b>3,622,195</b>	<b>6,162,362</b>
<b>Non-current assets</b>		
Other receivables	4,662	4,700
Exploration expenditure	19,196,169	18,042,867
Exploration bonds	35,753	40,754
Property, plant and equipment	547,162	636,302
<b>Total non-current assets</b>	<b>19,783,746</b>	<b>18,724,623</b>
<b>Total assets</b>	<b>23,405,941</b>	<b>24,886,985</b>
<b>Current liabilities</b>		
Trade and other payables	400,501	579,695
Provisions	322,215	283,646
<b>Total current liabilities</b>	<b>722,716</b>	<b>863,342</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	23,285	334,107
Provisions	13,353	7,841
<b>Total non-current liabilities</b>	<b>36,638</b>	<b>341,948</b>
<b>Total liabilities</b>	<b>759,354</b>	<b>1,205,290</b>
<b>Net assets</b>	<b>22,646,587</b>	<b>23,681,695</b>
<b>Equity</b>		
Issued capital	16,297,481	16,297,481
Reserves	362,035	362,035
Retained earnings	5,987,071	7,022,179
<b>Total equity attributable to equity holders of the parent</b>	<b>22,646,587</b>	<b>23,681,695</b>

Notes to the consolidated financial statements are included on pages 12 to 14

### Consolidated statement of changes in equity for the half-year ended 31 December 2009

	Attributable to members of PepinNini Minerals Limited			
	Issued and paid up capital	Reserves (Equity settled employee benefits reserve)	Retained earnings	Total
	\$	\$	\$	\$
<b>Consolidated</b>				
Balance at 1 July 2009	16,297,481	371,170	7,981,748	24,650,399
Loss for the period	-	-	(457,474)	(457,474)
Other comprehensive Income	-	-	-	-
<b>Total comprehensive loss for the half year ended 31 December 2009</b>	-	-	<b>(457,474)</b>	<b>(457,474)</b>
Recognition of share-based payments	-	(8,221)	-	(8,221)
<b>Balance at 31 December 2009</b>	<b>16,297,481</b>	<b>362,949</b>	<b>7,524,274</b>	<b>24,184,704</b>

### Consolidated statement of changes in equity for the half-year ended 31 December 2010

	Attributable to members of PepinNini Minerals Limited			
	Issued and paid up capital	Reserves (Equity settled employee benefits reserve)	Retained earnings	Total
	\$	\$	\$	\$
<b>Consolidated</b>				
Balance at 1 July 2010	16,297,481	362,035	7,022,179	23,681,695
Loss for the period	-	-	(1,035,108)	(1,035,108)
Other comprehensive Income	-	-	-	-
<b>Total comprehensive loss for the half year ended 31 December 2010</b>	-	-	<b>(1,035,108)</b>	<b>(1,035,108)</b>
<b>Balance at 31 December 2010</b>	<b>16,297,481</b>	<b>362,035</b>	<b>5,987,071</b>	<b>22,646,587</b>

Notes to the consolidated financial statements are included on pages 12 to 14.

**Consolidated cash flow statement  
for the half-year ended 31 December 2010**

	Consolidated	Consolidated
	Half-year ended	
	31 Dec 2010	31 Dec 2009
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(951,411)	(1,183,876)
Receipts in the course of business	26,472	73,053
Net cash used in operating activities	<b>(924,939)</b>	<b>(1,110,823)</b>
<b>Cash flows from investing activities</b>		
Payment for exploration activities	(1,910,216)	(3,378,644)
Payments for property, plant and equipment	(7,533)	(129,572)
Interest received	270,478	221,703
Net cash used in investing activities	<b>(1,647,271)</b>	<b>(3,286,513)</b>
<b>Cash flows from financing activities</b>		
Net cash used in financing activities	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(2,572,210)</b>	<b>(4,397,336)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,019,452</b>	<b>12,379,847</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,447,242</b>	<b>7,982,511</b>

Notes to the consolidated financial statements are included on pages 12 to 14.

## Notes to the consolidated financial statements

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements by PepinNini during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

#### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for when required by accounting standards. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

### 2. Segment information

The Group applies AASB 8 Operating Segments which requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision-makers have been identified as the board of directors.

The operating segments are identified by management based on the nature of the product sold. Discrete financial information about operating businesses is reported to the executive management on at least a monthly basis. The group operates in one segment, being mineral exploration and development.

### 3. Dividends

During the period, PepinNini Minerals Limited paid no dividends:

	Half-year ended 31 Dec 2010		Half-year ended 31 Dec 2009	
	Cents per share	Total \$	Cents per share	Total \$'000
<b>Fully paid ordinary shares</b>				
Final dividend	-	-	-	-

### 4. Profit for the half year

During the half-year reporting period ended 31 December 2010, applications to surrender three Queensland tenements in full were lodged with the Department of Mines and Energy; all three tenements have been evaluated as having no potential for mineral deposit discovery. Cumulative expenditure for the tenements totals \$838,933, this expenditure has been fully impaired in the financial statements at 31 December 2010. There are no known rehabilitation requirements for the tenements being surrendered.

## 5. Issuances, repurchases and repayments of equity securities

During the half-year reporting period, PepinNini minerals Limited issued no ordinary shares (2009 – no ordinary shares issued) and did not exercise any share options issued under its executive share option plan (2009 – no share options exercised). As a result of this there was no transfer from the equity-settled employee benefits reserve to issued capital.

PepinNini Minerals Limited issued zero share options (2009: zero share options) over ordinary shares under its executive share option plan during the half-year reporting period.

The company did not purchase or cancel any ordinary shares during the period (2009 – no ordinary shares purchased or cancelled).

## 6. Investments in subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		December 2010	June 2010
		%	%
PepinNini Resources Pty Ltd*	Australia	100%	100%
PepinNini Resources Curnomona Pty Ltd	Australia	100%	100%
PepinNini Robinson Range Pty Ltd	Australia	100%	100%
PepinNini Minerals International Pty Ltd	Australia	100%	100%
PepinNini Sociedad Anonima*	Argentine Republic	95%	-

\*Registration of foreign subsidiary PepinNini Minerals International Pty Ltd was completed in Buenos Aires; Argentine Republic on 13 December 2010 and subsequent to 31 December 2010 was confirmed by the Argentinean Ministry of Justice, Security and Human Rights.

## 7. Interests In Joint Ventures

PepinNini has an interest in the following joint ventures:

Name of venture	Resident	Principal activity	Output interest	
			2010 %	2009 %
Uranium Resources and Mineral Resources Joint venture	Australia	Management and operation of development of Crocker Well And Mt Victoria uranium deposits and exploration for other commodities	40%	40%
Robinson Range Iron Ore JV03 Joint Venture*	Australia	Management and operation of development of iron ore in three tenements in the Robinson Range region	50%	-
Robinson Range Iron Ore JV04 Joint Venture*	Australia	Management and operation of development of iron ore in four tenements in the Robinson Range region	40%	-

\* During the period ended 31 December 2010, PepinNini finalised two joint venture agreements to explore and develop the iron ore potential of seven tenements covering approximately 700km<sup>2</sup> in the Midwest region of WA. The joint venture agreements give effect to a heads of agreement signed in December 2007 and are essentially on the same terms and conditions contained within that agreement. PepinNini will hold a 50% interest in the iron ore contained within three tenements and a 40% interest in the iron ore contained within the other four tenements. PepinNini will manage exploration on behalf of the joint venture partners through PepinNini Robinson Range Pty Ltd.

During the half year PepinNini was subject to cash calls of \$40,494 (2009: \$0) for the Robinson Range Iron Ore JV03 and JV04 joint ventures in accordance with the joint venture agreements. Robinson Range Iron Ore JV03 and JV04 assets recognised in the consolidated financial statements are summarised in the table following:

## 7. Interests In Joint Ventures (continued)

<b>Robinson Range Iron Ore JV03 and JV04 assets recognised in the consolidated financial statements</b>	<b>31 Dec 2010</b>
	<b>\$</b>
<b>Current assets</b>	
Cash and cash equivalents	36,053
Trade and other receivables	1,016
<b>Total current assets</b>	<b>37,069</b>
<b>Non-current assets</b>	
Exploration expenditure	6,959
<b>Total non-current assets</b>	<b>6,959</b>
<b>Total assets</b>	<b>44,028</b>
<b>Current liabilities</b>	
Trade and other payables	3,534
<b>Total current liabilities</b>	<b>3,534</b>
<b>Total liabilities</b>	<b>3,534</b>
<b>Net assets</b>	<b>40,494</b>

## Contingent liabilities and capital commitments

There were no contingent liabilities arising from PepinNini's interests in the Robinson Range Iron Ore JV03 and JV04 joint ventures. The following capital expenditure commitments relate to the Robinson Range Iron Ore JV03 and JV04 Joint Ventures.

	<b>31 Dec 2010</b>
	<b>\$</b>
<b>Capital expenditure commitments</b>	
<i>Granted exploration tenement statutory expenditure commitments, payable:</i>	
Not longer than 1 year	800,000
Longer than 1 year and not longer than 5 years	-
Longer than 5 years	-
	<b>800,000</b>

## 8. Subsequent events

### **South American Project**

In December 2010 the application for registration of the Argentinean foreign subsidiary PepinNini Sociedad Anonima was completed and subsequent to 31 December 2010 was confirmed by the Argentinean Ministry of Justice, Security and Human Rights. The creation of this entity has allowed for the transfer of mining rights to take place from Rojas & Asociados, who had previously been appointed to hold the Argentine tenements in property trust for PepinNini Minerals Limited. Transfer of rights, settlement of debt and declaration of no further debts owing took place on 4 February 2011 in Mendoza, Argentine Republic.

### **Issuing of Share Capital**

Subsequent to 31 December 2010, 11.5 million PepinNini Minerals Limited ordinary shares were issued at a price of 27cents per share to raise \$2,929,768 in capital. This represented a total of 14.7% of total ordinary shares, and therefore did not require shareholder approval. Had these shares been outstanding for the entire half-year period ended 31 December 2010 the effect of the share raising on the earning per share calculation as at 31 December 2010 would have been to reduce basic and diluted loss per share by 0.1 cents to a loss of 1.2 cents per share.