

**Final Rehabilitation Report EPM 16026
First and Final Annual Report
EPM 16026 – The Pyramid**

For the period ending 9th January 2009



Author: Gary Ferris
Date: February 2009
Licence Holder: PepinNini Minerals Limited

Copies to: Qld Department of Mines and Energy
PepinNini Minerals, Sydney
PepinNini Minerals, Adelaide

Submitted by: _____

Exploration Report No. Q Ex16026.01

Table of Contents

Summary	1
Introduction	2
Location	2
Tenure	3
Geological Background	3
Geological Setting	3
Previous Exploration	4
Historical Workings.....	4
PepinNini Exploration Program.....	4
Rehabilitation	6
Conclusion	6
References	6
List of Appendices	7

List of Figures

Figure 1: Location of EPM 16026 “The Pyramid”	2
Figure 2: Detailed geology of EPM 16026	4
Figure 3: Location of PNN rock chip samples and significant results on EPM 16026	6

List of Tables

Table 1: Results of PepinNini rock chip sampling on EPM 16026	5
---	---

Summary

EPM 16026 is located within the historical Croydon Goldfield in northern Queensland. EPM 16026 comprises 5 sub-blocks and covers an area of approximately 17 km². The Croydon Goldfield has produced nearly one million ounces of gold and contains over 300 gold bearing quartz veins with production reported from 110 separate mines.

PepinNini believe this area is prospective for structurally/shear zone controlled vein hosted gold mineralisation as seen at the Demon of the Gap, Pyramid and Crocodile workings located on EPM 16026.

This report summarises exploration activity on EPM 16026 from 10 January 2008 to 9 January 2009.

PepinNini undertook a reconnaissance program of rock chip sampling and reported gold up to 59.4 g/t and silver up to 270 g/t (not the same sample) from gossanous quartz veins hosted within granite. However, the quartz veins are relatively narrow and are interpreted not to continue to a great depth.

Interpretation of previous exploration data and field reconnaissance sampling undertaken by PepinNini Minerals Limited has downgraded the potential for this area to host an economic deposit and it is recommended that the tenement be relinquished

Introduction

EPM 16026 was granted to Australian Gold Holdings Limited on 10 January 2008 for a period of five years. PepinNini Minerals Limited (PepinNini) purchased this tenement in April 2008. This report summarises exploration undertaken on EPM 16026 during the period 10 January 2008 to 9 January 2009.

The exploration philosophy is that previous exploration and mining suggest that potential still exists in the Croydon area for the discovery of economic deposits of gold. PepinNini initial focus was to explore for depth extensions to shallow surface workings on EPM 16026. No record of drilling has been located for the area and the surface workings do not appear to be overly deep. Also no records have been found which outline exploration along strike from existing workings where potential auriferous veins would be under predicted shallow cover.

Reconnaissance mapping and sampling by PepinNini has downgraded the prospectivity of this area to host an economic gold deposit.

Location

EPM 16026 is located approximately 8km east of Croydon and 125km west of Georgetown (Figure 1). Access to the tenement is via the sealed Gulf Developmental Road and then station tracks.

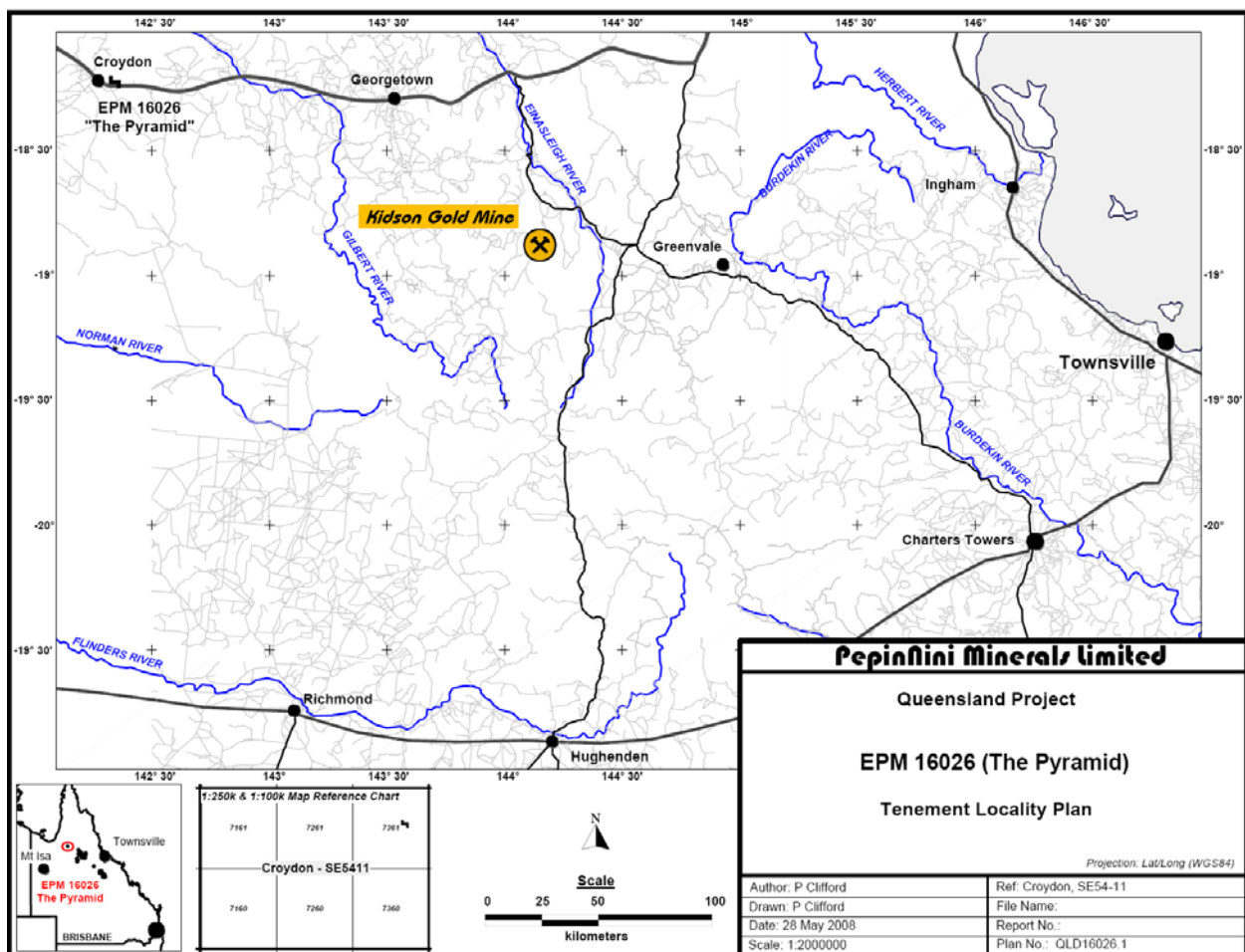


Figure 1: Location of EPM 16026 “The Pyramid”

Tenure

EPM 16026 was granted on 10 January 2008 and comprises 5 Sub-blocks:

NORM 1924 P, U

NORM 1925 U, R, W

During the first year of tenure PepinNini has completed:

- Data compilation and review
- Geological reconnaissance

Geological Background

Geological Setting

Within the Croydon area the main basement units are the Mesoproterozoic Esmerelda Granite and Croydon Volcanics and these units host gold mineralisation within the region. The Croydon Volcanics are interpreted to represent the eastern margin of a partly exposed caldera structure and consist of subaerial ignimbrite flows and volcaniclastics. The Esmerelda Granite is interpreted to have intruded the Croydon Volcanics.

The basement units are overlain by sediments of the Eromanga Basin. Figure 2 shows the geology of EPM 16026.

The age of gold mineralisation has been interpreted to be related to the Mesoproterozoic igneous event which produced the Croydon Volcanics and Esmerelda Granite. However age dating has produced ambiguous results with dating of alteration producing Cambrian to Permian ages.

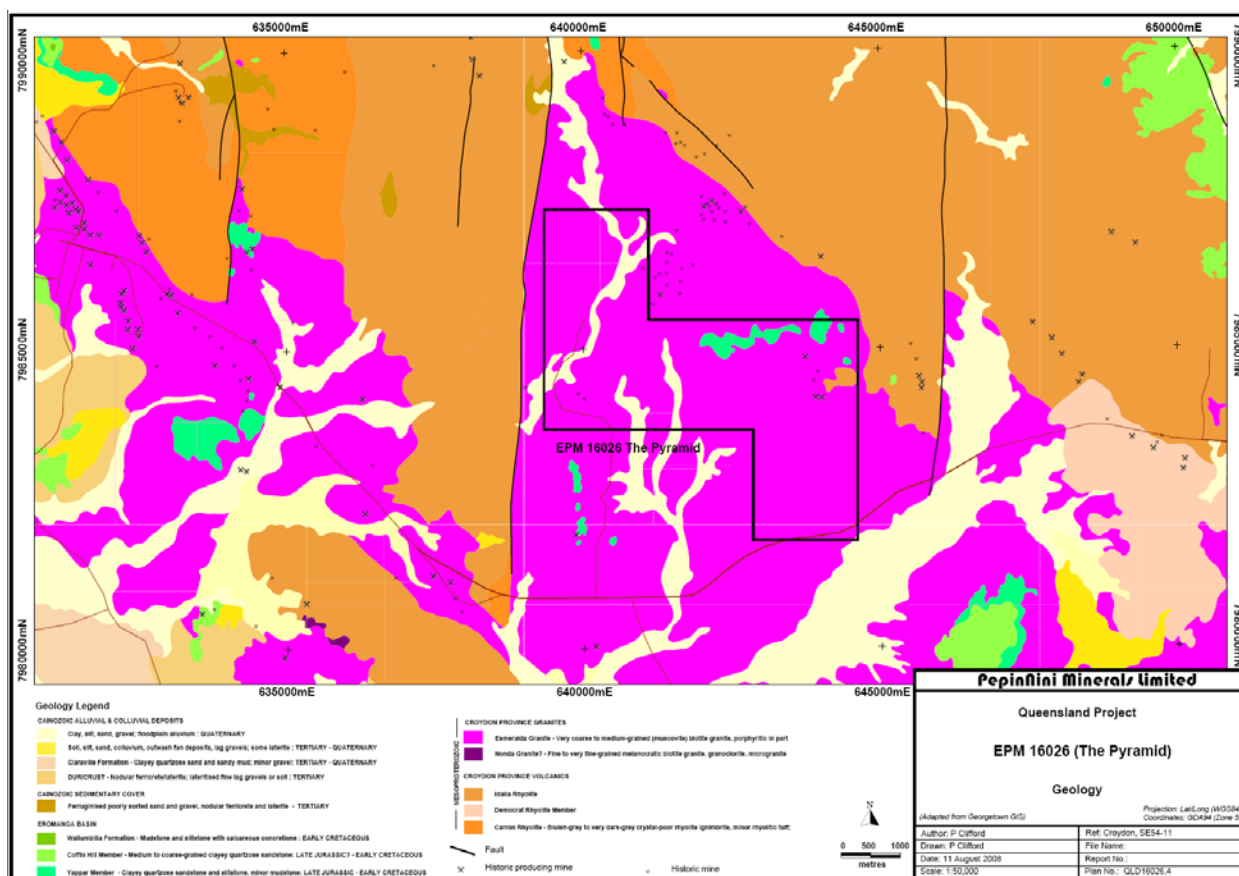


Figure 2: Detailed geology of EPM 16026

Previous Exploration

Historical Workings

The Croydon Goldfield was founded in 1885 and was mined intermittently up to 1935 producing 735,554 tonnes of ore for 761,167 ounces of gold and 803,023 ounces of silver at a grade of around 1oz/t gold. Over 300 gold bearing quartz veins have been reported from the Croydon area.

Within EPM 16026 several named workings and unnamed workings have been reported (Table 1). No production figures are known from the workings on EPM 16026 and inspection of these workings show that mining was not very deep.

Gold Aura Limited inspected the Demon of the Gap workings on EPM 16026 and reported that the mineralised zone is 10-15m wide with individual quartz veins <5cm thick (McGregor-Dawson, 2006). The best result from mullock samples reported 7.21 g/t Au with slightly elevated zinc (1380 ppm). These results were considered too low to warrant further exploration.

PepinNini Exploration Program

A desktop study of all available reports for the area has been completed and a regional data CD has been purchased from the Queensland Government Department of Mines and Energy, which covers the area (Georgetown GIS, 2002). The data includes geology coverage at

1:100,000, mineral deposit locations, whole rock geochemistry, structural features, and geophysical data (magnetics, gravity, and radiometrics), and DEM.

One program of reconnaissance rock chip sampling was completed by PepinNini during early 2008 with a total of fifteen samples collected on EPM 16026. A summary of the results are presented in Table 1 and full geochemical analysis is presented in Appendix A. The location of samples is presented in Figure 3.

Exploration reported in this Report complies with the Program of Works for EPM 16026. Documented within Annexure C are the Specific Conditions which state the Program of Works include:

- Data compilation and review
- Geological mapping
- Assaying

No drilling or use of heavy machinery was undertaken.

Table 1: Results of PepinNini rock chip sampling on EPM 16026

SAMPLE	Easting	Northing	Au	Ag	As	Cu	Fe	Pb	Zn
			ppm	ppm	ppm	ppm	%	ppm	ppm
258278	643711	7985070	28.4	39.7	132	124	3.35	4750	237
258279	643711	7985070	16.7	29.2	26	210	2.07	2520	2910
258280	643726	7985019	0.44	8.6	12	114	2.26	1010	92
258281	643726	7985019	12	181	34	59	5.26	1530	78
258282	643726	7985019	3.13	13.8	17	58	2.25	1180	1650
258283	643753	7984932	0.29	3.9	51	109	4.17	1000	66
258284	643753	7984932	5.15	265	236	165	8.39	2660	352
258285	643728	7984900	43.7	270	217	148	10.45	2270	226
258286	643767	7984893	0.18	4.6	26	50	1.91	98	83
258287	643767	7984873	0.46	19.7	220	86	3.65	662	79
258288	643767	7984873	0.14	2.9	22	99	1.76	295	63
258289	643768	7984833	0.32	3.2	24	59	1.46	570	49
258290	643829	7984801	59.4	62.3	123	63	5.63	1200	316
258292	639985	7984053	0.53	65.7	19	40	2.73	7890	107
258293	639907	7984011	0.37	4.8	61	47	4.14	1400	42

(Coordinates in GDA 94 Zone 54)

Croydon Project - Surface Sample Results

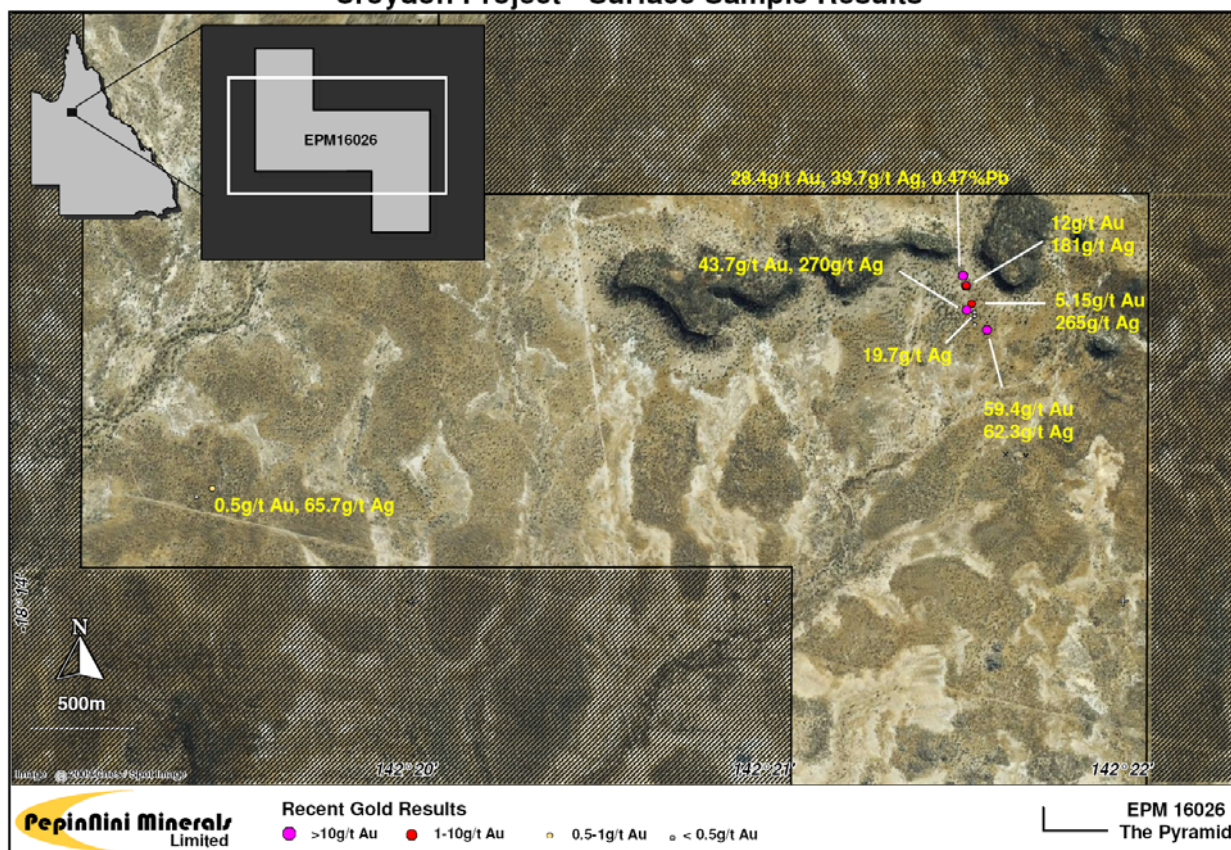


Figure 3: Location of PNN rock chip samples and significant results on EPM 16026

Rehabilitation

No significant exploration was undertaken within EPM 16026. Preliminary reconnaissance mapping and sampling failed to locate any signs of significant mineralisation. No shafts or pits were excavated and no heavy machinery was used. The only exploration undertaken involved collection of rock chip samples from existing workings and no rehabilitation is required.

Conclusion

The geochemical results from the initial reconnaissance sampling program are considered to be encouraging, but PepinNini interpret that the mineralisation is too narrow to warrant drilling. Due to the interpreted limited extent of mineralisation, no further work is warranted and it is recommended that the tenement be relinquished.

References

McGregor-Dawson, J., 2006. Partial Relinquishment Report for eight sub-blocks on Exploration Permit for Minerals 8795. Report for Gold Aura Limited. Queensland Department of Mines and Energy Report CR 43900.

List of Appendices

- Appendix A – Rock chip geochemistry
- Appendix B – Location, Geology, Geophysical and sample location plots

APPENDIX A

Geochemical results – Rock chip sampling program

SAMPLE		Method	Au-AA25	Au-DIL	Ag-OG62	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
			Au	Au	Ag	Ag	Al	As	Ba	Be	Bi	Ca
	AMG_East	AMG_North	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%
258278	643711	7985070	28.4			39.7	4.18	132	260	3.3	62	0.02
258279	643711	7985070	16.7			29.2	0.97	26	80	0.9	33	0.06
258280	643726	7985019	0.44			8.6	5.32	12	430	2.6	8	0.02
258281	643726	7985019	12		181	>100	1.33	34	50	1	487	0.02
258282	643726	7985019	3.13			13.8	2.79	17	210	1.3	32	0.2
258283	643753	7984932	0.29			3.9	2.7	51	140	1.9	8	0.04
258284	643753	7984932	5.15		265	>100	1.89	236	60	1.5	212	0.02
258285	643728	7984900	43.7		270	>100	2.2	217	90	1.7	1075	0.02
258286	643767	7984893	0.18			4.6	2.63	26	150	1.9	9	0.03
258287	643767	7984873	0.46			19.7	1.02	220	40	0.9	17	0.04
258288	643767	7984873	0.14			2.9	3.72	22	200	2	12	0.04
258289	643768	7984833	0.32			3.2	1.2	24	50	0.8	5	0.01
258290	643829	7984801	59.4			62.3	1.63	123	160	1.5	69	0.04
258292	639985	7984053	0.53			65.7	0.37	19	100	1.3	104	0.02
258293	639907	7984011	0.37			4.8	0.6	61	40	1.1	48	0.03

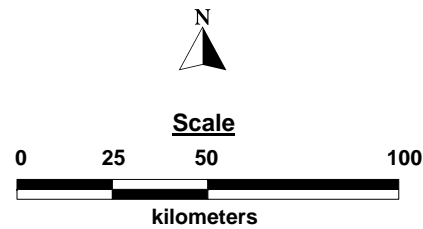
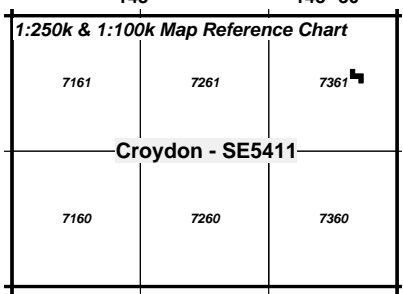
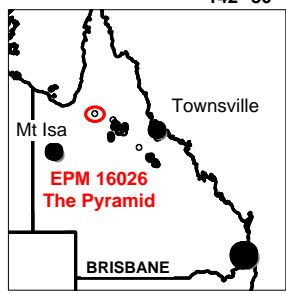
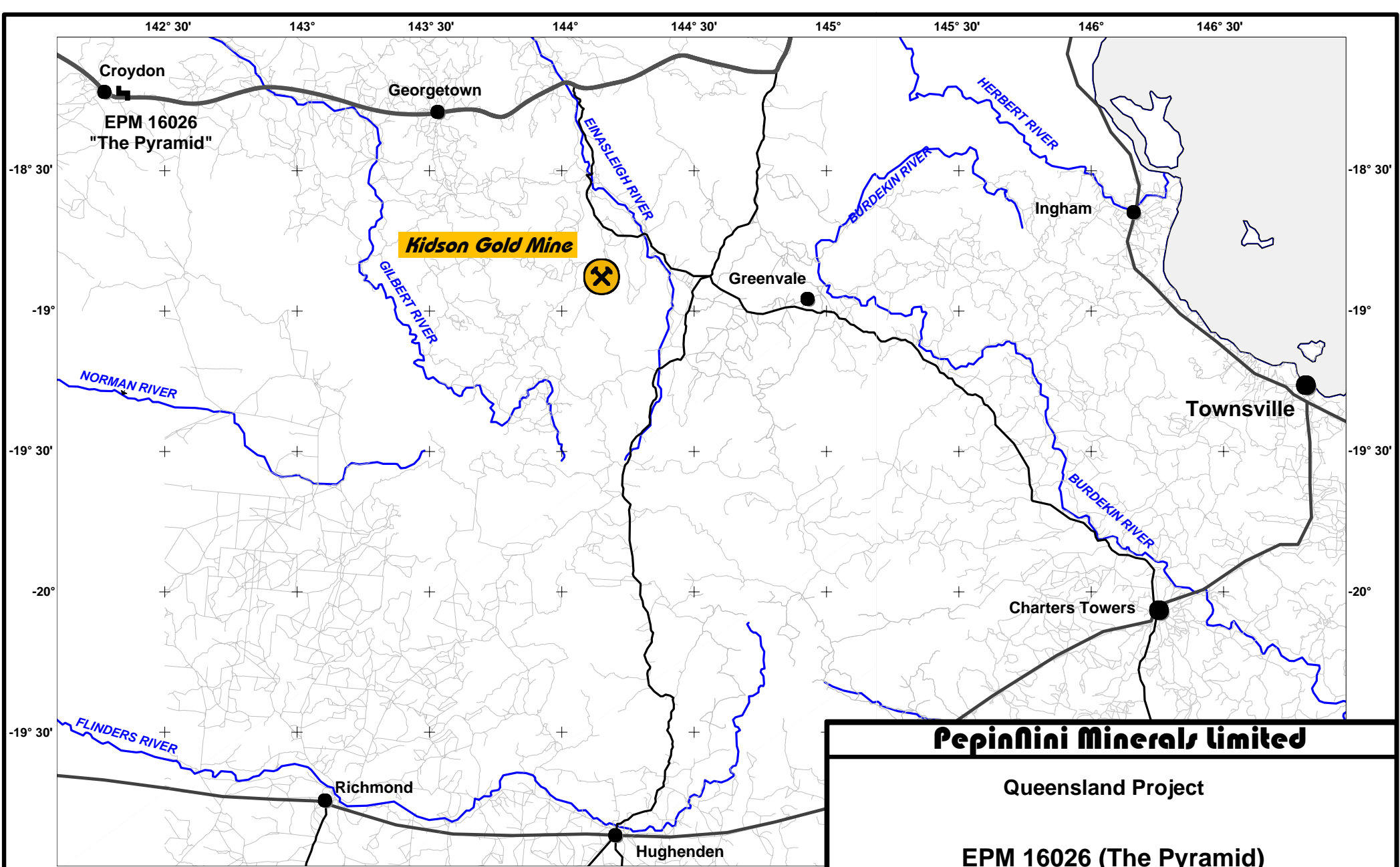
SAMPLE	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
	Cd	Co	Cr	Cu	Fe	Ga	K	La	Mg	Mn	Mo	Na	Ni
	ppm	ppm	ppm	ppm	%	ppm	%	ppm	%	ppm	ppm	%	ppm
258278	0.6	1	3	124	3.35	20	2.76	10	0.1	129	2	0.02	2
258279	15.2	1	6	210	2.07	<10	0.56	10	0.02	102	1	<0.01	4
258280	<0.5	1	5	114	2.26	20	3.92	20	0.07	120	4	0.05	1
258281	<0.5	<1	4	59	5.26	<10	0.57	10	0.02	105	1	<0.01	<1
258282	9.4	1	7	58	2.25	10	2.02	10	0.04	127	2	0.04	5
258283	<0.5	1	5	109	4.17	20	1.52	10	0.04	156	3	0.01	2
258284	<0.5	2	4	165	8.39	10	0.57	10	0.03	82	5	<0.01	1
258285	0.6	4	6	148	10.45	10	1.07	10	0.03	110	3	<0.01	1
258286	<0.5	1	3	50	1.91	10	1.66	10	0.04	89	1	0.01	2
258287	0.5	2	5	86	3.65	<10	0.46	<10	0.02	182	2	<0.01	1
258288	<0.5	2	5	99	1.76	10	2.44	20	0.05	94	1	0.02	4
258289	<0.5	1	4	59	1.46	<10	0.65	<10	0.02	120	1	<0.01	2
258290	0.5	2	7	63	5.63	10	0.82	10	0.03	276	2	<0.01	2
258292	1.1	1	8	40	2.73	<10	0.22	10	0.01	153	2	0.02	4
258293	<0.5	1	6	47	4.14	<10	0.09	10	0.01	207	2	<0.01	3

SAMPLE	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
	P	Pb	S	Sb	Sc	Sr	Th	Ti	U	V	W	Zn
	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
258278	980	4750	0.2	18	4	12	<20	0.07	10	9	<10	237
258279	240	2520	0.33	<5	1	5	<20	0.02	<10	4	<10	2910
258280	400	1010	0.2	6	5	30	<20	0.11	10	10	10	92
258281	270	1530	0.08	15	2	5	<20	0.06	<10	3	<10	78
258282	220	1180	0.53	<5	3	11	<20	0.06	<10	3	<10	1650
258283	370	1000	0.05	17	3	9	<20	0.09	<10	5	<10	66
258284	440	2660	0.07	68	2	6	<20	0.09	<10	4	<10	352
258285	270	2270	0.27	48	2	8	<20	0.04	<10	4	<10	226
258286	180	98	0.01	6	3	16	<20	0.05	<10	3	<10	83
258287	120	662	0.12	19	1	<1	<20	0.02	<10	2	<10	79
258288	220	295	0.19	<5	3	10	<20	0.07	<10	4	<10	63
258289	160	570	0.02	<5	1	7	<20	0.02	<10	2	<10	49
258290	210	1200	0.05	10	2	7	<20	0.03	<10	3	<10	316
258292	1380	7890	0.4	19	1	57	<20	0.01	<10	2	30	107
258293	360	1400	0.04	12	1	7	<20	0.04	<10	3	180	42

APPENDIX B

Location, Geology, Geophysical and sample location plots

1. Tenement locality plan
2. Regional geology plan
3. Geology plan
4. Regional airborne magnetic (RTP) plan
5. Regional airborne radiometrics (K-Th-U)
6. Regional airborne radiometrics (Uranium)
7. Regional airborne radiometrics (Potassium)
8. Regional airborne radiometrics (Thorium)



Pepinini Minerals limited	
Queensland Project	
EPM 16026 (The Pyramid)	
Tenement Locality Plan	
<i>Projection: Lat/Long (WGS84)</i>	
Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 28 May 2008	Report No.:
Scale: 1:2000000	Plan No.: QLD16026.1

625000mE 630000mE 635000mE 640000mE 645000mE 650000mE 655000mE 660000mE

7995000mN

7990000mN

7985000mN

7980000mN

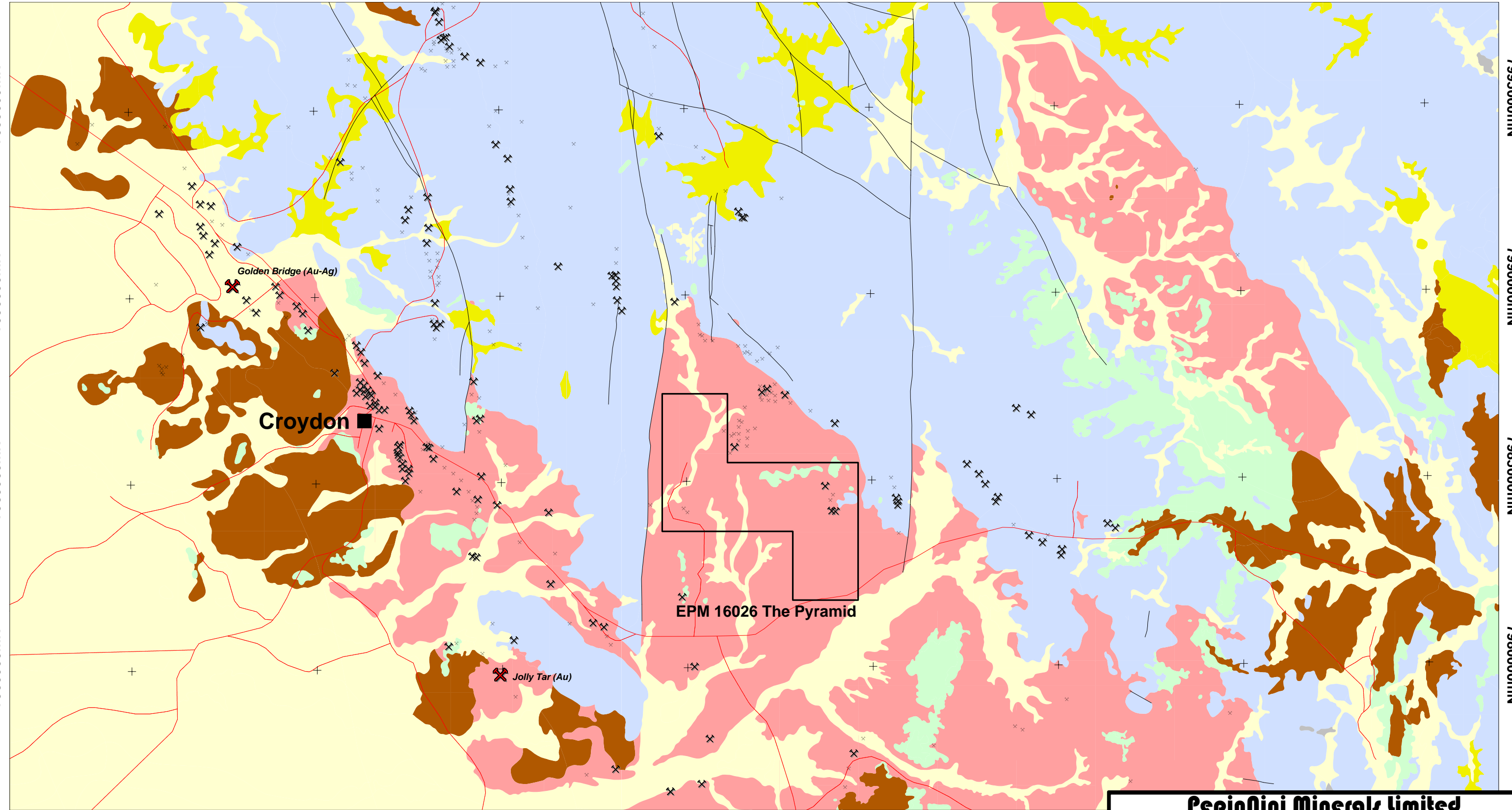
7995000mN

7990000mN

7985000mN

7980000mN

625000mE 630000mE 635000mE 640000mE 645000mE



Geology Legend

- Cainozoic Alluvium - Colluvium
- Cainozoic Sedimentary Cover
- Tertiary Duricrust
- Tertiary - Karumba Basin
- Jurassic - Cretaceous Eromanga Basin
- Carboniferous - Permian Kennedy Province Intrusives
- Mesoproterozoic - Croydon Province Volcanics
- Mesoproterozoic - Croydon Province Granites
- Fault
- Resource (Georgetown GIS database)
- Production (Georgetown GIS database)
- Mine Location (Georgetown GIS database)

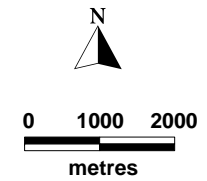
Pepinini Minerals limited

Queensland Project

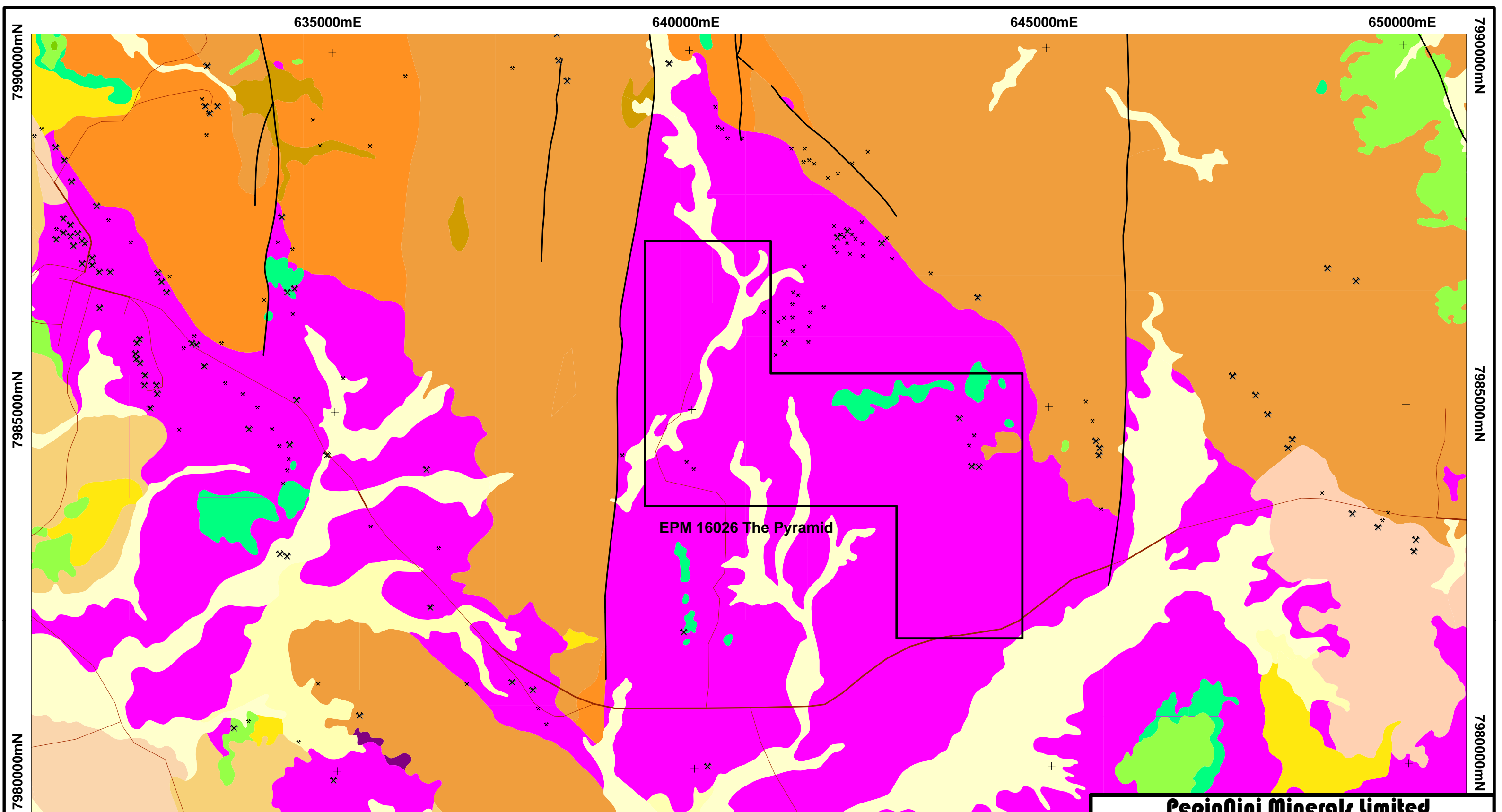
EPM 16026 (The Pyramid)

Regional Geology

(Adapted from Georgetown GIS) *Projection: Lat/Long (WGS84)
Coordinates: GDA94 (Zone 54)*



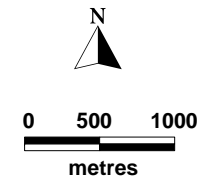
Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 11 August 2008	Report No.:
Scale: 1:100,000	Plan No.: QLD16026.3



Geology Legend

- CAINOZOIC ALLUVIAL & COLLUVIAL DEPOSITS**
- Clay, silt, sand, gravel; floodplain alluvium : QUATERNARY
 - Soil, silt, sand, colluvium, outwash fan deposits, lag gravels; some laterite : TERTIARY - QUATERNARY
 - Claraville Formation - Clayey quartzose sand and sandy mud; minor gravel: TERTIARY - QUATERNARY
 - DURICRUST - Nodular ferricrete/laterite; lateritised fine lag gravels or soil : TERTIARY
- CAINOZOIC SEDIMENTARY COVER**
- Ferruginised poorly sorted sand and gravel, nodular ferricrete and laterite - TERTIARY
- EROMANGA BASIN**
- Wallumbilla Formation - Mudstone and siltstone with calcareous concretions : EARLY CRETACEOUS
 - Coffin Hill Member - Medium to coarse-grained clayey quartzose sandstone: LATE JURASSIC? - EARLY CRETACEOUS
 - Yappar Member - Clayey quartzose sandstone and siltstone, minor mudstone: LATE JURASSIC - EARLY CRETACEOUS

- CROYDON PROVINCE GRANITES**
- Esmeralda Granite - Very coarse to medium-grained (muscovite) biotite granite, porphyritic in part
 - Nonda Granite? - Fine to very fine-grained melanocratic biotite granite, granodiorite, microgranite
- CROYDON PROVINCE VOLCANICS**
- Idalia Rhyolite
 - Democrat Rhyolite Member
 - Carron Rhyolite - Bluish-grey to very dark-grey crystal-poor rhyolite ignimbrite, minor rhyolitic tuff;
- MESOPROTEROZOIC**
- Fault
 - Historic producing mine
 - Historic mine



Pepinini Minerals limited

Queensland Project

EPM 16026 (The Pyramid)

Geology

Projection: Lat/Long (WGS84)
Coordinates: GDA94 (Zone 54)

Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 11 August 2008	Report No.:
Scale: 1:50,000	Plan No.: QLD16026.4

625000mE

630000mE

635000mE

640000mE

645000mE

650000mE

655000mE

660000mE

7995000mN

7990000mN

7985000mN

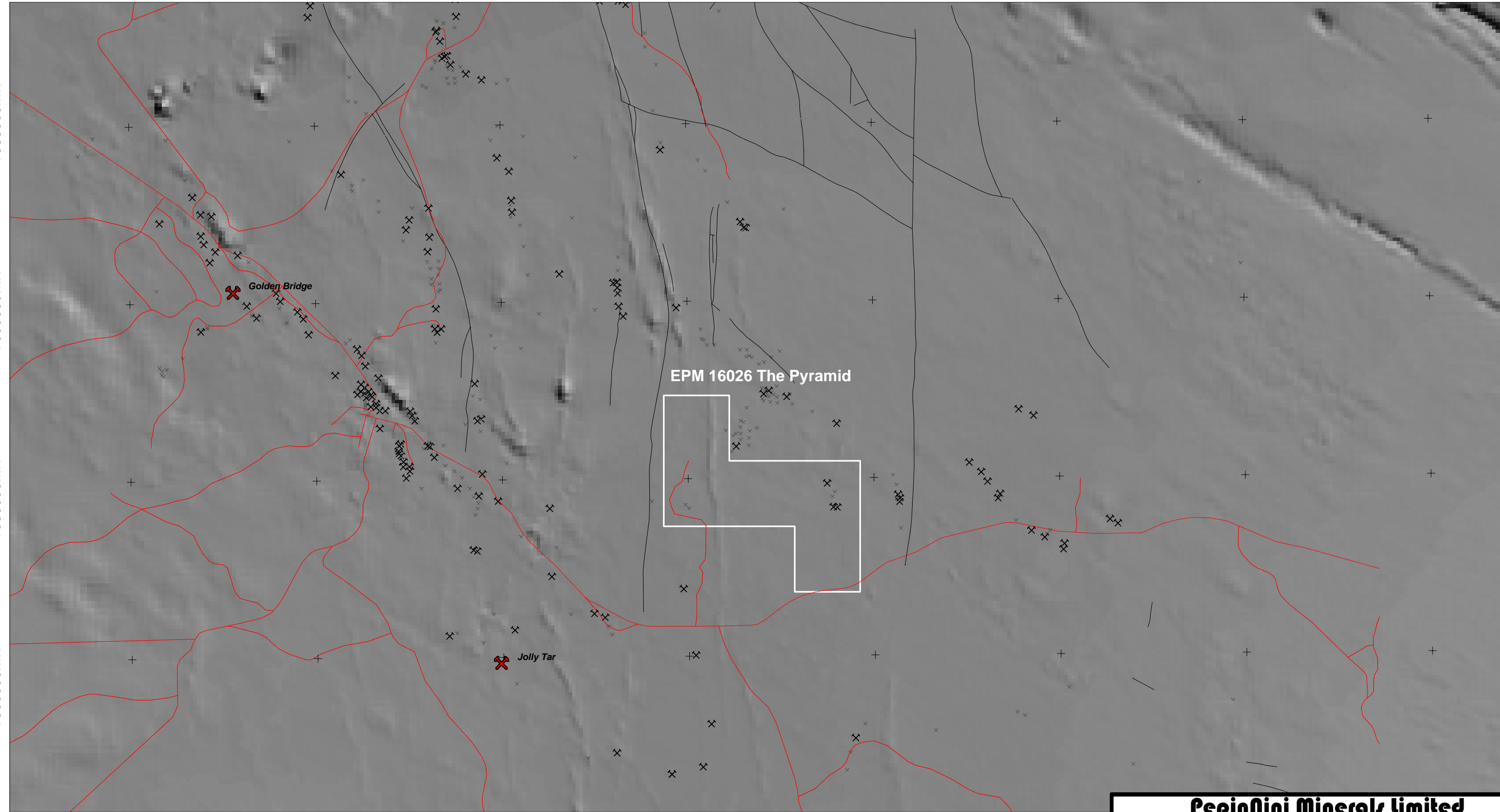
7980000mN

7995000mN

7990000mN

7985000mN





7980000mN



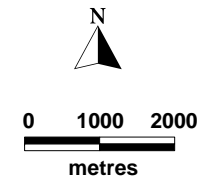
EPM 16026 The Pyramid

Golden Bridge

Jolly Tar

-  Fault
-  Resource (Georgetown GIS database)
-  Production (Georgetown GIS database)
-  Mine Location (Georgetown GIS database)

© The State of Queensland (Department of Natural Resources and Mines [2008])
 NB: Based on data provided by the Department of Natural Resources and Mines, Queensland [2008] which gives no warranty in relation to the data (including accuracy, reliability, completeness or suitability) and accepts no liability (including without limitation, liability or negligence) for any loss damage or costs (including consequential damage) relating to any use of the data.



Pepinini Minerals Limited	
Queensland Project	
EPM 16026 (The Pyramid)	
Regional Airborne Magnetics (RTP-drape)	
<small>Projection: Lat/Long (WGS84) Coordinates: GDA94 (Zone 54)</small>	
<small>Author: P Clifford</small>	<small>Ref: Croydon, SE54-11</small>
<small>Drawn: P Clifford</small>	<small>File Name:</small>
<small>Date: 11 August 2008</small>	<small>Report No.:</small>
<small>Scale: 1:100,000</small>	<small>Plan No.: QLD16026.5</small>

625000mE

630000mE

635000mE

640000mE

645000mE

650000mE

655000mE

660000mE

7995000mN

7990000mN

7985000mN

7980000mN

7995000mN

7990000mN

7985000mN

7980000mN

625000mE

630000mE

635000mE

640000mE

645000mE

Pepinini Minerals Limited





Queensland Project

EPM 16026 (The Pyramid)

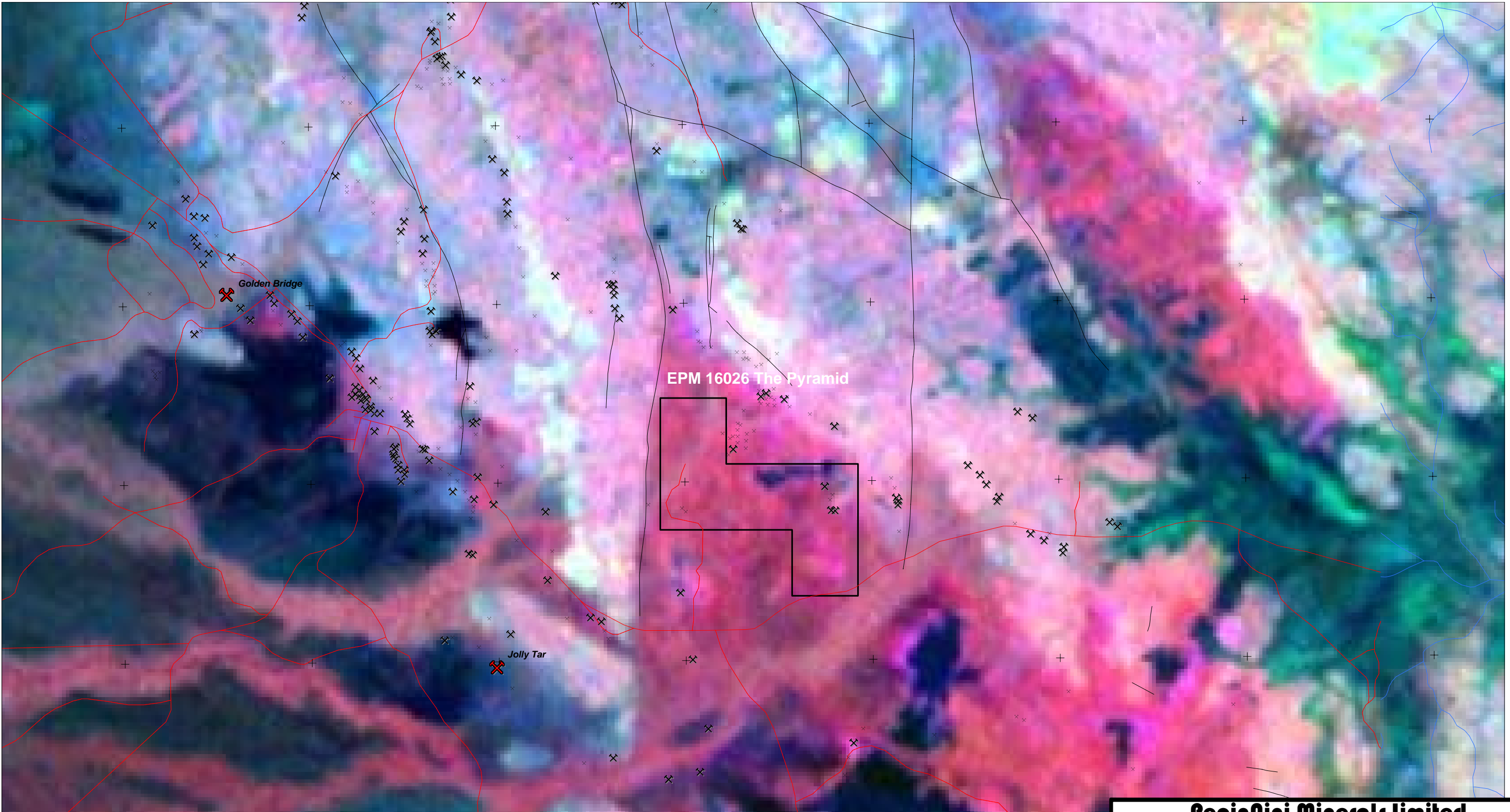
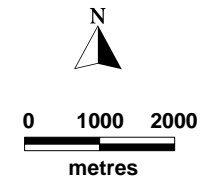
Regional Airborne Radiometrics (K-Th-U)

(Adapted from Georgetown GIS) Projection: Lat/Long (WGS84)
Coordinates: GDA94 (Zone 54)

Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 11 August 2008	Report No.:
Scale: 1:100,000	Plan No.: QLD16026.6

-  Fault
-  Resource (Georgetown GIS database)
-  Production (Georgetown GIS database)
-  Mine Location (Georgetown GIS database)

© The State of Queensland (Department of Natural Resources and Mines [2008])
 NB: Based on data provided by the Department of Natural Resources and Mines, Queensland [2008] which gives no warranty in relation to the data (including accuracy, reliability, completeness or suitability) and accepts no liability (including without limitation, liability or negligence) for any loss damage or costs (including consequential damage) relating to any use of the data.



625000mE

630000mE

635000mE

640000mE

645000mE

650000mE

655000mE

660000mE

7995000mN

7990000mN

7985000mN

7980000mN

7995000mN

7990000mN

7985000mN

7980000mN

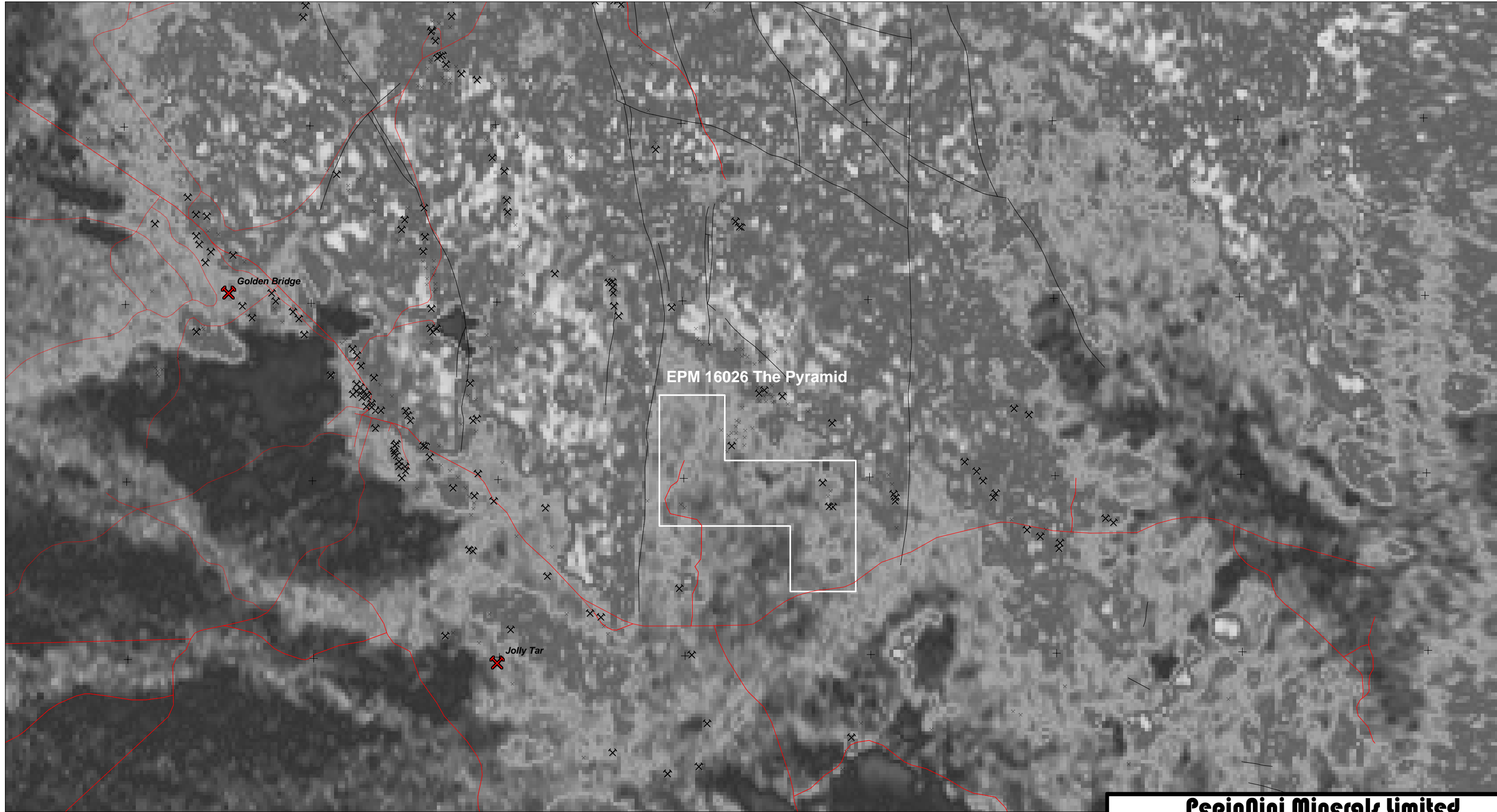
625000mE





630000mE

635000mE

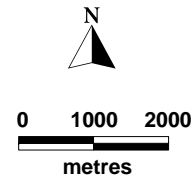
640000mE

645000mE



-  Fault
-  Resource (Georgetown GIS database)
-  Production (Georgetown GIS database)
-  Mine Location (Georgetown GIS database)

© The State of Queensland (Department of Natural Resources and Mines [2008])
 NB: Based on data provided by the Department of Natural Resources and Mines, Queensland [2008] which gives no warranty in relation to the data (including accuracy, reliability, completeness or suitability) and accepts no liability (including without limitation, liability or negligence) for any loss damage or costs (including consequential damage) relating to any use of the data.



Pepinini Minerals Limited

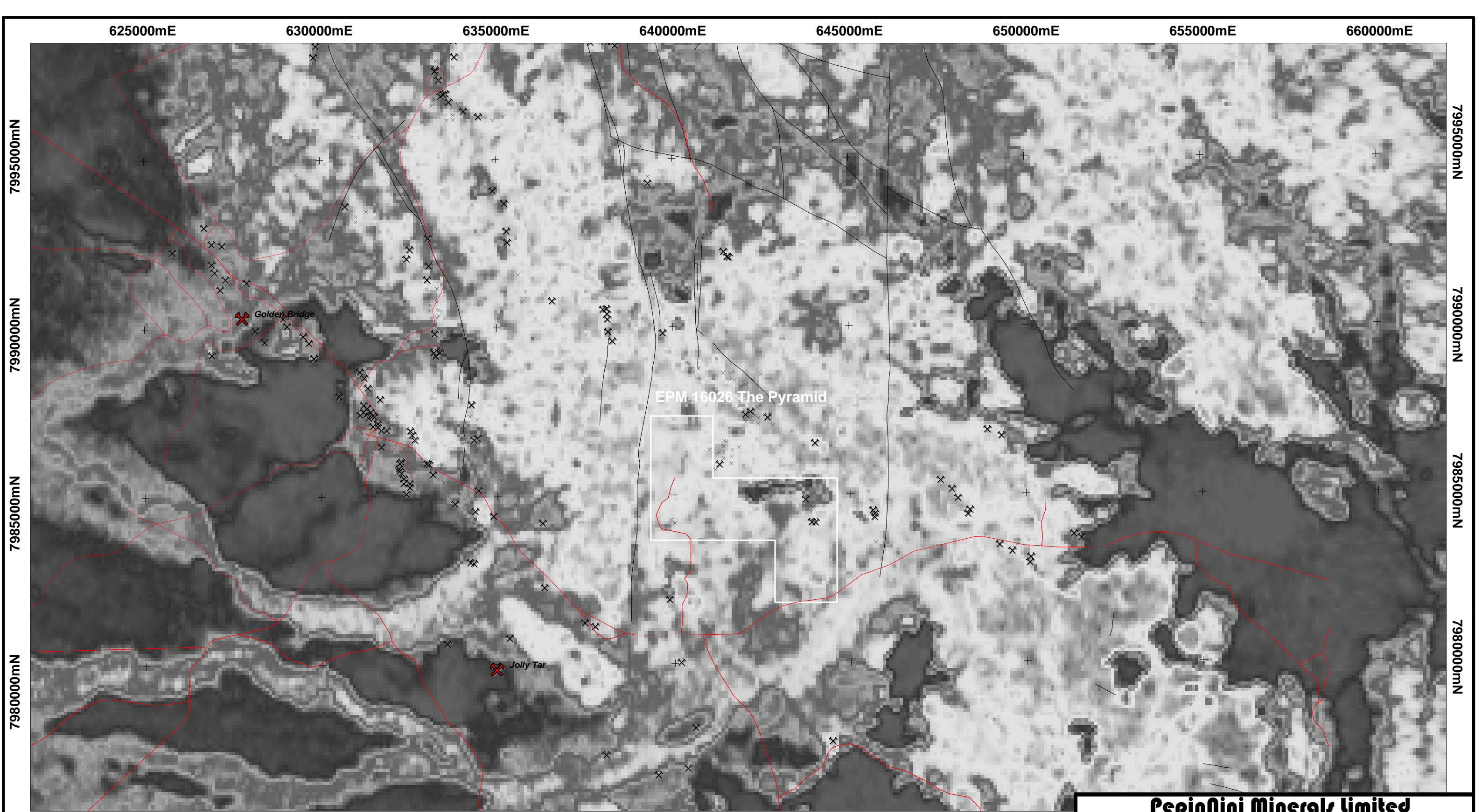
Queensland Project

EPM 16026 (The Pyramid)

Regional Airborne Radiometrics (Uranium)

(Adapted from Georgetown GIS) Projection: Lat/Long (WGS84)
Coordinates: GDA94 (Zone 54)

Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 11 August 2008	Report No.:
Scale: 1:100,000	Plan No.: QLD16026.7



625000mE

630000mE

635000mE

640000mE

645000mE

650000mE

655000mE

660000mE

7995000mN

7995000mN

7990000mN

7990000mN

7985000mN

7985000mN





7980000mN

7980000mN

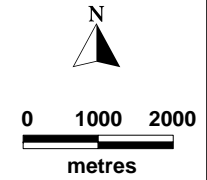
EPM 16026 The Pyramid

Golden Bridge

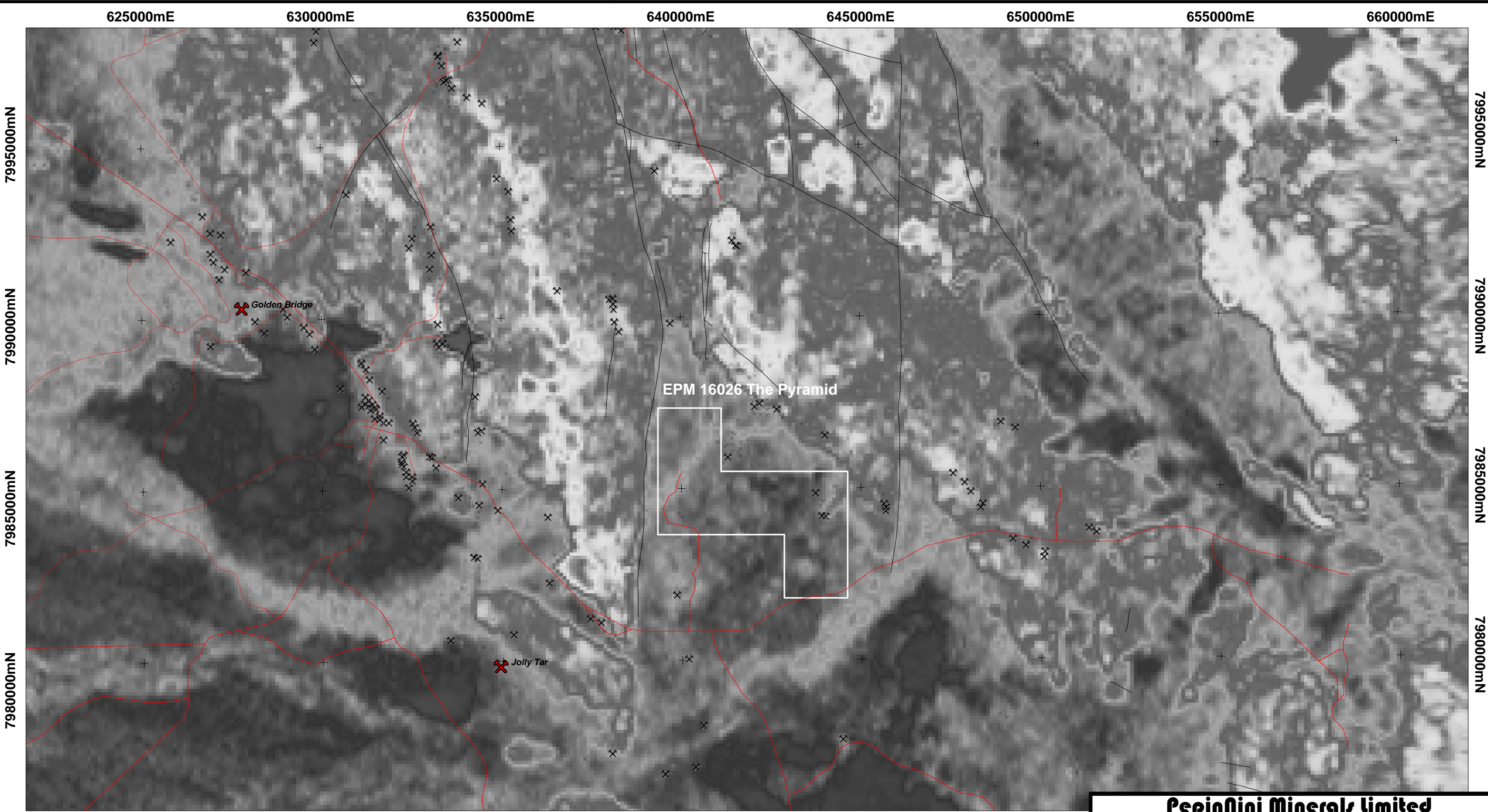
Jolly Tar

-  Fault
-  Resource (Georgetown GIS database)
-  Production (Georgetown GIS database)
-  Mine Location (Georgetown GIS database)

© The State of Queensland (Department of Natural Resources and Mines [2008])
 NB: Based on data provided by the Department of Natural Resources and Mines, Queensland [2008] which gives no warranty in relation to the data (including accuracy, reliability, completeness or suitability) and accepts no liability (including without limitation, liability or negligence) for any loss damage or costs (including consequential damage) relating to any use of the data.



Pepinini Minerals limited	
Queensland Project	
EPM 16026 (The Pyramid)	
Regional Airborne Radiometrics (Potassium)	
<small>Projection: Lat/Long (WGS84) Coordinates: GDA94 (Zone 54)</small>	
<small>Author: P Clifford</small>	<small>Ref: Croydon, SE54-11</small>
<small>Drawn: P Clifford</small>	<small>File Name:</small>
<small>Date: 11 August 2008</small>	<small>Report No.:</small>
<small>Scale: 1:100,000</small>	<small>Plan No.: QLD16026.8</small>



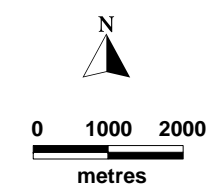
625000mE 630000mE 635000mE 640000mE 645000mE

7980000mN 7985000mN 7990000mN 7995000mN

625000mE 630000mE 635000mE 640000mE 645000mE

- Fault
- Resource (Georgetown GIS database)
- Production (Georgetown GIS database)
- Mine Location (Georgetown GIS database)

© The State of Queensland (Department of Natural Resources and Mines [2008])
 NB: Based on data provided by the Department of Natural Resources and Mines, Queensland [2008] which gives no warranty in relation to the data (including accuracy, reliability, completeness or suitability) and accepts no liability (including without limitation, liability or negligence) for any loss damage or costs (including consequential damage) relating to any use of the data.



Pepinini Minerals Limited

Queensland Project

EPM 16026 (The Pyramid)

Regional Airborne Radiometrics (Thorium)

(Adapted from Georgetown GIS)

*Projection: Lat/Long (WGS84)
Coordinates: GDA94 (Zone 54)*

Author: P Clifford	Ref: Croydon, SE54-11
Drawn: P Clifford	File Name:
Date: 11 August 2008	Report No.:
Scale: 1:100,000	Plan No.: QLD16026.9