Recommendation: SPEC. BUY

Potential for cash flow in 2009 from gold and in 2010 from uranium. Solid track record in discovering and commercialising new projects.

Price target: $1.47 per share.

Investment data

ASX Code	PNN
Share price (3rd June 2008)	$0.80

Issued capital

FPO Shares (listed)	68.4 m
(escrowed)	*0.0m*
Unlisted Options	0.5m
Market Cap *(fully diluted)*	$55.1m

Major Shareholders:

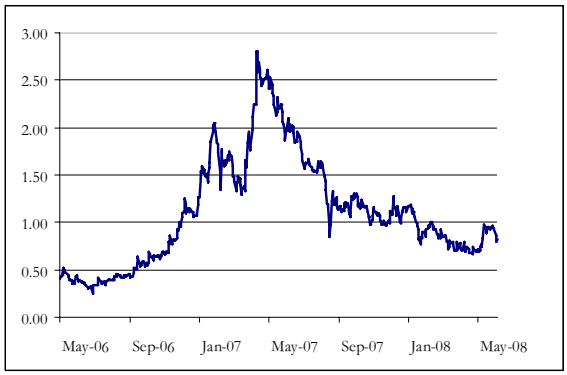
Norman Kennedy	14%
Rebecca Holland Kennedy	14%
LHW Resources Pty Ltd	7%
Sinosteel Australia Pty Ltd	5%

Cash on hand *(30 June estimate)* $16m

Directors

Norman Kennedy	Chairman & Managing Director
Albert Harris	Non-Executive Director
Rebecca Holland-Kennedy	Executive Director, Company Secretary
Christopher Lambert	Non-Executive Director

Share Price Performance



Source: IRESS

John Macdonald
Lonsec Limited
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Interim Update – Crocker Well Progress, Peak Hill Acquisition

Key Points

- PepinNini, in joint venture with Sinosteel Corporation, is studying the feasibility of developing the Crocker Well Uranium project in South Australia's Curnamona Basin.

  Open pit mining and conventional surface treatment processes are proposed for Crocker Well. Planned output is 2.2mlbs of uranium oxide per year over a minimum four year project life.

  Costs and ore reserves at Crocker Well are sensitive to the results of ongoing metallurgical testing and drilling.

  Sinosteel is sole funding $A5m towards the Crocker Well feasibility study and $6m to exploration for other metals within the JV tenements.

- PepinNini owns 51% of the Peak Hill Gold and Robinson Range Iron ore projects in Western Australia.

  Peak Hill has 670,000oz in indicated resources and a refurbished 1.2 Mtpa treatment plant on site. Mine planning is in progress preparatory to recommissioning with the aim of producing at least 70,000oz per year.

  A combination of encroaching infrastructure and reports of high quality iron ore is cause for investigation of the Robinson Range iron ore prospects. PepinNini controls over 40 km of prospective strike.

- PepinNini has early mover advantage in South Australia's Musgrave Province, where it has the pick of the large scale geophysical anomalies.

  In 2007 and 2008 disseminated and massive sulphides were intersected in several holes along the eastern margin of the Mt Harcus intrusion, affirming the exploration model for nickel and copper in the region.

  PepinNini is systematically drilling deep Musgrave targets with its own diamond core rig on continuous duty.

- PepinNini is a major tenement holder in Queensland's Georgetown Inlier and Woolgar Goldfield.

- At the end of March 2008 PepinNini had $23m in cash deposits (estimated $16 million at the end of June 2008).

Risks

- All financial projections for Crocker Well and Peak Hill are the subject of studies in progress. No reserves have been estimated and cost indications are informal.

- The uranium price has fallen sharply from its June 2007 peak but remains well above its historic average. The rate and depth of the supply response to higher uranium prices is not yet clear.

- PepinNini's exploration assets and activities are high risk by nature.

Investment Opinion

- PepinNini is a speculative buy for well managed exposure to a diverse portfolio of exploration and near production assets.

OVERVIEW

Introduction

PepinNini has 40% of a developing uranium project, 51% of a fully developed gold mine, and pivotal regional land positions in each of the Curnamona, Peak Hill, Musgrave and Georgetown fields. Early work at Crocker Well suggests the uranium project may be viable with potential for low cost, straightforward mining and processing. Resource definition and exploration drilling could further improve anticipated returns. The Fortnum gold project, with 1moz of past production and 670,000oz in defined resources, is ready for recommissioning pending further drilling and mine planning. Meanwhile, PepinNini is drilling a continuous succession of deep holes into first choice nickel and copper targets in the Musgrave Ranges.

Capital Structure

FPO Shares (listed)	68.36 m
Unlisted Options	0.5m
Market Cap(fully diluted)	$55.1m

Major Shareholders:

Norman Kennedy	14%
Rebecca Holland Kennedy	14%
LHW Resources Pty Ltd	7%
Sinosteel Australia Pty Ltd	5%

MANAGEMENT & COMPANY BACKGROUND

Rank Geological Services, directed by Norman Kennedy and Rebecca Holland-Kennedy, was among the first applicants for mineral exploration rights in the South Australian part of the Musgrave Ranges in 1996, spurred by the discovery of the Voisey's Bay nickel deposit in Canada and a more accommodative attitude towards mineral exploration in the region, of both government and traditional landowners. The applications were selected on the basis of airborne geophysical surveys and limited surface sampling. PepinNini Minerals Limited was incorporated in 2002 for the purpose of acquiring the ten separate blocks (in four exploration licence applications) held by Rank Geological Services. Exploration of the licences remained on hold until mid 2005 when the first of the four licences was granted to PepinNini. PepinNini's maiden drilling program in the Musgrave Ranges began in April 2006.

In mid-2004 PepinNini complemented its Musgrave applications by purchasing a granted exploration lease in the Curnamona Craton of South Australia from Rio Tinto and a granted mining lease in the Woolgar Goldfield of Queensland. An adjoining Curnamona lease application was granted in late 2004, completing the PepinNini portfolio for a public share offer raising $4.0m and listing in April 2005.

PepinNini selected its Curnamona properties for base and precious metal potential, and in the process acquired the Crocker Well Uranium field, complete with drill defined uranium resources. In response to the rising price of uranium PepinNini began reviewing the commercial potential of uranium recovery at Mt Crocker in mid-2005. In June 2007 PepinNini concluded the sale of a 60% share in the Curnamona project to Sinosteel Corporation for $32m cash. As part of the agreement Sinosteel subscribed for a $1.65m placement (3.3m shares) and committed to sole fund $11m expenditure on a uranium feasibility study and exploration for other metals at Curnamona.

In December 2007, PepinNini agreed to buy 51% of unlisted Eagle Gold Mines Limited. Eagle Gold Mines' main projects are the processing plant, ore resources and tenements comprising the Fortnum Gold Mine, and the adjoining Robinson Range iron ore prospects in Western Australia. A separate agreement in the same month increased PepinNini's tenure in Queensland's Georgetown Inlier to 20 tenements covering over 2,200 square kilometres.

Directors

***Norman Kennedy* - Chairman & Managing Director**
Exploration geologist for over 25yrs

***Rebecca Holland-Kennedy* - Exec. Director & Coy Secretary**
Administration and exploration geologist for over 25 yrs

***Christopher Lambert* - Non-executive Director**
London based financial background

***Albert Harris* - Non-executive Director**
Manager of petroleum and exploration industry companies for over 50 years

Management

***Phil Clifford* - Expl'n Manager – WA -** Ex Rio-Tinto

***Dr Lachlan Rutherford* - Expl'n Manager – Musgrave SA -** Ex PIRSA

***Susanne Nikolajsen* - Project Geologist – SA**

PROJECTS

1. CURNAMONA URANIUM - PNN 40%

Uranium was discovered at Crocker Well in the 1950s and assessed in various drilling and bulk sampling programs until 1978. PepinNini was granted the key Crocker Well tenement in November 2004, and compiled the data from about 1,000 drill holes and seven bulk sampling shafts in 2005 and 2006. Inferred resources totalling 12.5m tonnes at 0.053% U_3O_8 were subsequently estimated by consultants in three deposits over four kilometres of strike at Crocker Well. A fourth inferred resource, of 250,000 tonnes at 0.16% U_3O_8 was also estimated on the lease at Mt Victoria, seven kilometres north of Crocker Well. Consultants GRD Minproc scoped the commercial potential of Crocker Well in March 2006. In September 2006 Sinosteel Corporation entered an agreement that

culminated in Sinosteel's purchase of 60% of the Curnamona JV with PepinNini.

Sinosteel and PepinNini appointed three and two members respectively to the Curnamona JV management committee. Major decisions made by the committee require 75% support within the committee. Sinosteel has committed to sole fund $5m towards a feasibility study by September 2009. A process engineer and chief geologist, each with extensive uranium experience, are employed directly by the joint venture company. Upon completion of a bankable feasibility study, Sinosteel has the right to market 100% of the project's output.

The known uranium mineralisation at Crocker Well is primary. Uranium occurs in veins and is disseminated within granitic rocks. The deposits belong to the same family as Olympic Dam, hence PepinNini's (and others') interest in associated copper and gold mineralisation in the region. Uranium from Curnamona basement rocks has also migrated to secondary deposits to the north of Crocker Well, such as Honeymoon and Beverley. Although most recent exploration in the region has targeted secondary deposits with certain characteristics, the Crocker Well field retains advantages in being relatively advanced and in presenting a straightforward technical task, comprising conventional open pit or underground mining followed by crushing, dense media separation, milling, flotation, acid leaching and solvent extraction processes.

The estimated total resources at Crocker Well (12.5 Mt at 0.053% U_3O_8 in the inferred category at a 0.03% U_3O_8 lower cut-off) contain 14.8mlbs of U_3O_8, of which GRD Minproc estimated about 10.2mlbs would be included in an open pit mine plan (excluding Mt Victoria) with a waste:ore ratio of less than 2.5:1.

Consultants Helman and Schofield were appointed in September 2007 to design and implement the drilling required to lift the Crocker Well resources to measured and indicated status preparatory to mine design. A program of 130 RC and 16 diamond core holes began in late March 2008. Drilling is expected to continue through to the end of July 2008.

GRD Minproc envisaged that a treatment facility at Crocker Well treating 1.7m tonnes of ore per year could cost up to $A160m to develop. The estimate allowed for process water pumped from 200 kilometres away and a $38m tailings disposal facility.

Metallurgical tests of Crocker Well completed in the 1970s provide assurance that at least 60% of contained uranium can be extracted from mined ore. Recovery of U_3O_8 from similar brannerite ores has since been refined through work at Olympic Dam and other operations, suggesting that significantly better than 65% metallurgical recovery is achievable.

In May 2007 the Australian Labor Party, then in opposition, lifted its 25 year old ban on approvals for new uranium mine export licences. The only remaining restriction is the requirement that the uranium purchaser come from a country that has signed the Nuclear Non-Proliferation Treaty (there are 189 signatories including China). The removal of federal obstructions to new uranium mines leaves the uranium mine approval decision in the hands of the states. The South Australian (Labor) Premier Mike Rann was a key supporter of the policy change and hence Crocker Well enjoys bilateral support at both state and federal levels. South Australia's civil service has a grasp of the safety and environmental implications of uranium mining through its experience with three preceding uranium projects.

Bateman Engineering was appointed manager of a definitive feasibility study of Crocker Well in November 2007.

In November 2007 the Curnamona JV submitted a 200 kg sample, taken from six separate shaft mullock heaps, for metallurgical testing. Laboratory tests on the sample, in which acid leaching was conducted at elevated temperatures, recorded up to 93% uranium recovery to solution. The practicalities of heating the leach process are the subject of further investigation within the feasibility study.

Early testing suggests low cost physical beneficiation could play an important role at Crocker Well. Gravity separation tests indicate the ore volume can be reduced by up to 35% while retaining 98.5% of the uranium in the heavy fraction. Moreover initial screening tests indicate 95% of Crocker Well uranium resides in the sub 0.5 mm fine fraction after crushing to 80% passing 2 mm. Any reduction of volume and increase in feed grade at each step (with minimal loss of uranium) corresponds with proportionate reductions in capital expense, reagent use and tailings dam size.

In the course of the feasibility study the Curnamona JV is investigating the prospects for local water supplies and cheaper waste disposal dams to further reduce the projected capital cost.

Uranium is traded under term contracts with no formal exchange giving visible price information. Price indicators are instead compiled and published weekly by industry observers. In late May 2008 the index published by the Ux Consulting group indicates the price of uranium oxide for delivery in 2-3 months is $US60/lb of U_3O_8; down steadily from the June 2007 peak of $US138/lb. Many development plans encouraged by the price spike are now less assured at $US60/lb especially given the rising costs of production. Meanwhile plans to build new nuclear energy capacity are firming under general energy cost and environmental pressures. A resurgence of uranium price to $US80/lb (in real terms) may be required to balance long run supply and demand.

Preliminary economic modelling of Crocker Well based on PepinNini's estimates of operational parameters is represented as follows;

Mineable inventory	10 Mt at 0.06% U_3O_8.
Annual throughput	2.4 Mt ore
Mining cost	$A11/t ore (waste:ore 2.3:1)
Capital cost	$A160m ($A64m PNN's share)
Metallurgical recovery	70%
Treatment & admin cost	$A15/t ore
Total unit cost (incl D&A)	$A42/lb U_3O_8
Annual output:	2.2m lbs U_3O_8 (PNN 890,000 lbs or 400,000 kg U_3O_8)
Uranium price	$US80/lb U_3O_8,
Exchange rate	AUDUSD 0.96
PNN annual after tax profit	$A18m

PepinNini believes the tonnage available for mining can be doubled through drilling strike and depth extensions of the known deposits and prospects. Reconnaissance prospecting in 2006 identified uranium grades of up to 2.6% U_3O_8 in surface float at three regional prospects, Becaroo, Anomaly A and Anomaly H.

PepinNini's share of the joint venture is valued here at $A40m, comprising $A25m for the established resources and $A15m for the associated uranium, gold and base metals exploration potential. These values are indicative only in the run up to more definitive estimates to be made in the feasibility study.

2. CURNAMONA COPPER/GOLD - PNN 40%

Exploration of the Curnamona Province in South Australia for base metals and gold has enjoyed a rebirth in recent years. The Curnamona JV is the major tenement holder in the south western sector of the Curnamona, with five granted exploration licences and one application covering a contiguous area of about 3,800 square kilometres. PepinNini drilled 18 holes into five prospects in mid 2005 and 29 copper-gold and lead-zinc prospects are under review for drilling in the second half of 2008. The Crocker Well uranium deposits and prospects are in the west of PepinNini's granted licences, where gold and copper associations have been recorded in previous exploration.

3. PEAK HILL GOLD - PNN 51%

In the 1990s the gold mines of the Peak Hill Goldfield supported three processing centres with a collective capacity of over 3mtpa. About 1.6moz of gold were extracted between 1985 and 2001, mainly from open pit mines in a variety of geologic settings. The Fortnum and Peak Hill mines in particular were commercially successful due to laterally extensive high grade zones that were also followed underground. The low gold prices of the late 1990s led to a sharp decline in exploration expenditure and the eventual cessation of mining in the belt by 2001. A gold price recovery in 2003 prompted Gleneagle Gold Limited to resume the field's development, with the assistance of a consolidated tenement holding and ownership of the only intact treatment plant left in the region, at Fortnum. Gleneagle recommenced production in July 2006 and produced 25,000oz of gold before underperformance of key deposits forced closure of the mine in mid 2007. Eagle Gold (now 51% owned by PepinNini) purchased Gleneagle's assets in December 2007.

Eagle Gold plans to establish a minimum three year mine plan from the project's indicated resources of 670,000oz, and recommission the Fortnum treatment plant with the aim of producing at least 70,000oz of gold per year. Eagle's management team includes operators involved with the project since the 2006 re-start. The information gleaned from the failed 2006 Peak Hill production campaign will be used to avoid a repeat of mine underperformance.

The Fortnum plant is in good condition thanks to the use of fresh process water and the recent refurbishment. The plant was run previously at over 1 Mtpa on an oxide/hard ore blend, and at 800,000tpa on hard ore alone. Unit costs and recoveries typically averaged $10-12 per tonne and 94% respectively. Tailings may be disposed for at least a further three years in an existing dam. The cost of returning the plant to operation could be $2-3m, mostly for first fill and working capital.

Recorded production from tenements currently held by Eagle totals just over 1mozs; principally from multiple mines at each of Fortnum, Horseshoe, Labouchere and Nathans. The database associated with the tenements includes over 56,000 drill holes and 68,000 surface geochemical samples. The breadth of the previous work left many prospects partially drilled.

The remnants of the Yarlarweelor deposit, just two kilometres south of the treatment plant, comprise most of the project's resources. Yarlarweelor is part of the Fortnum mine camp from which 705,000oz have been produced since 1988. Other prospects at Fortnum remain to be tested, including Callies, Starlight and Eldorado. In general, the 7km by 5km Fortnum 'wedge' has been drilled with 60 metres deep, 200 metre spaced lines searching for mass tonnages of oxide ore. Potential remains for smaller oxide deposits and high grade positions similar to Starlight, from which 612,000t was mined underground at an average grade of 5.75 g/t.

4. ROBINSON RANGE IRON ORE - PNN 51%, earning up to 76%

Eagle Gold's Peak Hill project overlaps extensive tracts of banded iron sequences within the Robinson Range Formation. The iron ore potential of the Robinson Range banded iron formations was highlighted late in 2007 by adjoining tenement holder Midwest Corporation. Midwest recorded rock chip sample assays of 60% - 64% iron with low impurity levels at five separate locations at Robinson Range, before pledging 12,000 metres of drilling in 2008.

PepinNini is earning 50% of the iron ore rights at Robinson Range directly from Eagle Gold (which is already 51% owned by PepinNini) by spending $500,000 on exploration over two years. Initial surveys preparatory to drill target selection are underway.

The Robinson Range sequences are 135 km and 165 km respectively from the planned iron ore rail haulage lines to Jack Hills (Murchison Metals) and Weld Range (Midwest). Jack Hills is in turn 465 rail km from the planned port at Oakajee. PepinNini could conceivably tap into the Jack Hills infrastructure in the event of commercial iron ore discoveries at Robinson Range.

5. MUSGRAVE RANGES NICKEL/COPPER - PNN 100%

The 1993 discovery of Voisey's Bay ignited a worldwide search for nickel and copper concentrations on the margins and conduits of relatively small mafic intrusions. The Musgrave Block in central Australia, as host to the largest volume of analogous geology in Australia, accordingly received renewed exploration attention. Norman Kennedy, through Rank Geological Services, was among the first applicants for exploration rights on the South Australian portion of the Musgraves after ownership of the land was passed to the Anangu Pitjantjatjarra and Yankunytjatjara (APY) communities in 1981. By 1996 Delta Gold and Rank Geological Services had applied for licences over most of the prominent geophysical features interpreted as Giles Complex mafic intrusions. Delta later formed a joint venture with Rio Tinto, which was granted the first exploration licenses on APY lands in 2002 (PepinNini purchased Rio Tinto's Pine Ridge EL in April 2008). The mid 2000 discovery of nickel and copper sulphides at Nebo and Babel by WMC Ltd on the Western Australian side of the Musgrave Ranges affirmed the applicability of the Voisey's Bay model to the mafic intrusions in the Musgraves, setting off a rush of applications that have since covered the Musgraves entirely. PepinNini became the second holder of an exploration licence on APY lands when EL 3368, comprising four separate blocks, was granted in June 2005.

PepinNini's initial exploration targets are irregularities on the margins of the Mt Moulden and Mt Harcus mafic intrusions. Mt Harcus is a 5 km by 2 km de-magnetised feature.

In conjunction with geochemical, EM, magnetic and gravity surveys PepinNini completed 23 drill holes at the Mt Harcus intrusion (to depths of up to 700 vertical metres) and 10 at Mt Moulden between May 2006 and May 2008. Disseminated and massive sulphides of varying tenor were intersected in several holes along the eastern margin of the Mt Harcus, beneath a line of magnetic and geochemical anomalism. The sulphides encountered are predominantly pyrrhotite, with minor chalcopyrite and pentlandite. The best metre assay was 0.7% copper and 0.1% nickel. A separate intercept of massive sulphides recorded 10cm of 0.3% copper and 0.3% nickel.

The widespread presence of sulphides in mafic lithologies at Mt Harcus confirms the project's prospectivity for Voisey's Bay style deposits. Magmas with the right sulphur and base metal contents have formed at least part of the Mt Harcus intrusion. PepinNini is continuing the search for sills and dykes containing high grade nickel-copper deposits within and around the Mt Harcus intrusion (which has a circumference of about 15 kilometres).

The Mt Moulden project is 60 kilometres north west of Mt Harcus. Mt Moulden contains a ten kilometre diameter de-magnetised feature interpreted as a mafic intrusion. PepinNini's exploration objectives at Mt Moulden are similar to those at Mt Harcus. Initial drilling intersected minor disseminated sulphides. The search was extended to three gravity targets in the north east of the intrusion when PepinNini's company owned diamond core rig began drilling there in April 2008. Sediment cover at Mt Moulden is more extensive than at Mt Harcus.

A third prominent geophysical feature, mapped as a Giles Complex mafic intrusion, lies largely within PepinNini's exploration licence EL4048, granted in February 2008. In 2005 the South Australian Department of Industry and Resources recorded minor amounts of pentlandite (nickel sulphide) in an outcrop of mafic rocks on the south eastern edge of the intrusion. The discovery raised the apparent prospectivity of the belt as a whole and the Mt Caroline intrusion in particular. Airborne EM flown by Rio Tinto over part of the intrusion has provided PepinNini with shallow bedrock conductors ready for drill testing. PepinNini's lease covers the core of the intrusion and about 15 kilometres of the south western margin, which is completely sand covered. PepinNini's proposed work program at Mt Caroline, which includes 11 core holes to an average depth of 250 metres, was approved in April 2008.

Due to its earlier grant, the Pine Ridge project is a relatively advanced exploration project in the context of the Musgrave Province. Rio Tinto spent more than $1.1m on exploration of the block between 2002 and 2007. PepinNini's work program, cleared in March 2008, includes both nickel/copper prospect generation and follow up of Rio Tinto generated targets.

While Voisey's Bay style deposits in Giles Complex intrusions are first order prospects, the Musgrave Province is a virtually unexplored Proterozoic terrain with potential for Olympic Dam type deposits and Granites type gold deposits among others. By virtue of an early mover's tenement holding and the relationships with land owners developed over time, PepinNini is likely to remain at the forefront of the region's exploration and eventual development.

6. GEORGETOWN INLIER

PepinNini acquired the Gooligoomba Mining Lease before listing in 2005 and submitted five applications for leases in the Georgetown region in March/April 2006. In December 2007 PepinNini increased its holdings in the Georgetown Inlier and Woolgar Goldfield to 20 tenements, covering over 2,000 square kilometres.

PepinNini's objectives in the region include high grade gold in epithermal quartz veins, hard rock uranium, phosphate and base metals. Uranium exploration in Queensland has been stifled since the 1970s despite 'would be commercial' discoveries Ben Lomond and Maureen, and widespread indications of high grade uranium throughout the Georgetown region. The Queensland state Labor Government has opposed uranium mine developments in the past and a change of Labor policy at state level (or a change of government) is

required before uranium prospects in Queensland will be considered for development.

FINANCIAL

At the end of March 2008 PepinNini had cash and deposits of $23m. PepinNini's assets include a Longyear diamond core drilling rig and a vacuum drilling rig operated and maintained under contract. During the March quarter PepinNini bought back and cancelled 1.5m shares as part of a program to buy back up to 4.9m shares. A special dividend of 5 cents per share ($3.5m) was paid in December 2007.

VALUATION

Only a highly subjective valuation of PepinNini's assets is possible. In the context of a positive outlook for uranium and gold, and given skilled management, the following values can be assigned:

Assets	$m	cps
Curnamona JV 40%	40	58
Eagle Gold 51%	18	27
Musgrave Ranges 100%	15	22
Georgetown/Woolgar	12	18
Cash	16	23
Share valuation	**100**	**147**

PROJECTIONS

Projections in the tables on the following pages are based on PepinNini's operating estimates. Operating estimates are neither those of Lonsec nor of the analyst who prepared this report.

Crocker Well (PNN 40%)	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Ore treated	000t				2,400	2,400	2,400	2,400
Head grade	ppm				600	600	600	600
Proj. U3O8 prodn	Mlbs				2.22	2.22	2.22	2.22
Proj. Capex	$Am		5	160	7	6	4	2
Cash prodn cost	$A/lb				30	30	31	31
Proj. reserve	Mt	10.0	10.0	10.0	7.6	5.2	2.8	0.4
Reserve grade	ppm	600	600	600	600	600	600	600

Source: Company Projetcions

Fortnum (PNN 51%)	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Ore treated	000t			1,200	1,200	1,100		
Head grade	g/t			2.00	2.00	2.00		
Proj. gold prodn	000ozs			72	72	66		
Capital expenditure	$Am		2.50					
Cash prodn cost	$A/oz			565	584	605		
Proj. reserve	Mt	3.50	3.50	2.30	1.10			
Reserve grade	g/t	2.00	2.00	2.00	2.00			

Source: Company Projetcions

PEPINNINI MINERALS LIMITED

ASX Code:	PNN
Share Price	$0.80
Market Capitalisation	$55m
Issued Capital (fully diluted)	69m

Profit & Loss	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Net Revenue	A$m			**34.7**	**109.4**	**106.5**	**74.7**	**74.7**
Total Costs	A$m	(1.0)	(2.0)	(24.7)	(56.0)	(55.0)	(34.9)	(35.1)
EBITDA	**A$m**	**(1.0)**	**(2.0)**	**10.0**	**53.4**	**51.5**	**39.8**	**39.6**
Depreciation/Amort	A$m			(0.9)	(18.6)	(19.2)	(19.2)	(19.9)
EBIT	A$m	**(1.0)**	**(2.0)**	**9.1**	**34.9**	**32.3**	**20.6**	**19.7**
Net Interest	A$m	1.3	0.4		(3.2)	(2.3)	(1.4)	(0.5)
Pre-Tax Profit	A$m	**0.3**	**(1.7)**	**9.1**	**31.7**	**30.0**	**19.3**	**19.3**
Tax Expense	A$m			(1.8)	(9.5)	(9.0)	(5.8)	(5.8)
NPAT	A$m	**0.3**	**(1.7)**	**7.3**	**22.2**	**21.0**	**13.5**	**13.5**
Abnormal Items	A$m							
Reported Profit	A$m	**0.3**	**(1.7)**	**7.3**	**22.2**	**21.0**	**13.5**	**13.5**

Balance Sheet	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Cash	A$m	**24.3**	**13.2**	**19.1**	**50.9**	**81.5**	**101.3**	**121.9**
Other Current Assets	A$m							
Total Current Assets	A$m	**24.3**	**13.2**	**19.1**	**50.9**	**81.5**	**101.3**	**121.9**
Property, Plant & Equip.	A$m		9.5	72.6	56.9	39.9	22.4	3.3
Investments/other	A$m	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Tot Non-Curr. Assets	A$m	**12.0**	**21.5**	**84.6**	**68.9**	**51.9**	**34.4**	**15.3**
Total Assets	A$m	**36.3**	**34.7**	**103.8**	**119.8**	**133.5**	**135.7**	**137.2**
Short Term Borrowings	A$m							
Other	A$m							5.0
Total Curr. Liabilities	A$m							**5.0**
Long Term Borrowings	A$m			40.0	30.0	20.0	10.0	
Other	A$m							3.5
Total Non-Curr. Liabil.	A$m			**40.0**	**30.0**	**20.0**	**10.0**	**3.5**
Total Liabilities	A$m			**40.0**	**30.0**	**20.0**	**10.0**	**8.5**
Net Assets	A$m	**36.3**	**34.7**	**63.8**	**89.8**	**113.5**	**125.7**	**128.7**

Cashflow	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Operating Cashflow	A$m	(1.0)	(2.0)	10.0	53.4	51.5	39.8	39.6
Income Tax Paid	A$m							
Interest & Other	A$m	1.3	0.4		(3.2)	(2.3)	(1.4)	(0.5)
Operating Activities	A$m	0.3	(1.7)	10.0	50.3	49.2	38.5	39.2
Property, Plant & Equip.	A$m		1.0	(64.0)	(2.8)	(2.2)	(1.6)	(0.9)
Exploration	A$m	(4.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Investments	A$m	(5.5)						
Investment Activities	A$m	(9.5)	(4.0)	(69.0)	(7.8)	(7.2)	(6.6)	(5.9)
Borrowings	A$m			40.0	(10.0)	(10.0)	(10.0)	
Equity	A$m			25.0				
Financing Activities	A$m			65.0	(10.0)	(10.0)	(10.0)	
Net Cash Change	A$m	**(9.2)**	**(5.7)**	**6.0**	**32.5**	**32.0**	**21.9**	**33.3**

Price Assumptions	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
Uranium oxide	$US/lb	80	80	80	80	80	80	80
Gold	$US/oz		900	900	900	900	900	900
Exchange Rate	$A/$US	0.95	0.95	0.95	0.95	0.95	0.95	0.95

Source: Company Projetcions

Ratio Analysis	Unit	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)	2013(f)	2014(f)
GCFPS	A¢	(1.4)	(2.9)	14.3	76.5	73.7	57.0	47.7
CFR	x	(55.9)	(27.9)	5.6	1.0	1.1	1.4	1.7
EPS	A¢	0.4	(2.4)	10.5	31.8	30.1	19.3	19.3
PER	x	186.3	(33.9)	7.7	2.5	2.7	4.1	4.1
Interest Cover	x				11.1	14.3	15.3	
ROCE	%	-8%	-9%	11%	51%	62%	60%	129%
ROE	%	1%	-5%	14%	35%	26%	15%	15%
Gearing	%	-	-	62.7%	33.4%	17.6%	8.0%	na
*All values fully diluted unless otherwise stated								
Debt/Equity		-	-	62.7%	33.4%	17.6%	8.0%	
WACC		15.0%	15.0%	11.6%	12.8%	13.7%	14.4%	

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