

Bills Middle Update

Pinnacle Minerals Ltd (ASX: **PIM**) ("**Pinnacle**", the "**Company**") has finalised a review of preliminary data from the Bills Middle Resource model, assay data and feedback from industry. The outcome of the review coupled with current market conditions has culminated in Pinnacle halting further expenditure on the project. While the Kaolin market remains attractive for investment, the potential size and structure of mineralisation at Bills Middle is not considered amenable to a long-term mining operation which the company requires to secure multi-year offtake agreements with which to underpin development of the project.

The company is committed to developing its other prospects and continues to review complimentary assets in Australia and other Jurisdictions.

Pinnacle Minerals Managing Director, Nic Matich, commented:

"The Board has made the difficult decision to halt expenditure on the Bills Middle prospect, which while disappointing will allow the Company to better utilise its cash reserves and focus on delivering projects that have more potential to progress past the exploration stage and into development."

This announcement has been authorised for release by the Board of Pinnacle Minerals Ltd.

For further information, please contact:

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About Pinnacle Minerals

Pinnacle Minerals Ltd (ASX: PIM) is an ASX listed technology minerals company focused on delivering shareholder value via the systematic exploration and development of its portfolio of kaolin, halloysite, battery metals and Heavy Mineral Sands prospective projects in Western Australia and South Australia. The Company is focused on delineating resources at its advanced Bobalong and Holly Kaolin Projects in the Great Southern region of Western Australia whilst simultaneously expanding its' project portfolio through targeted acquisition of prospective ground. Drilling and a scoping study have been completed at Bobalong, with results indicating the potential for a high value direct shipping ore (DSO) product. The White Knight and Camel Lake Projects are strategically located adjacent to Andromeda Metals' (ASX: ADN) high-grade kaolin-halloysite discoveries in South Australia. The recently granted Latham and Tammin projects are adjacent to Chalice Gold Mines (ASX: CHN) Mid-West Project and Anglo Americans' (Lon: AAL) Southwest Yilgarn Exploration Project respectively, which have multi-element exploration potential.

Pinnacle Minerals Ltd

ACN: 655 033 677
ASX: **PIM**

Issued Capital

36,375,200 Shares
29,937,634 Options

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Directors

WILLIAM WITHAM – Non-Executive Chairman
NIC MATICH – Managing Director
LINCOLN LIU – Non-Executive Director
STEPHEN ROSS – Non-Executive Director

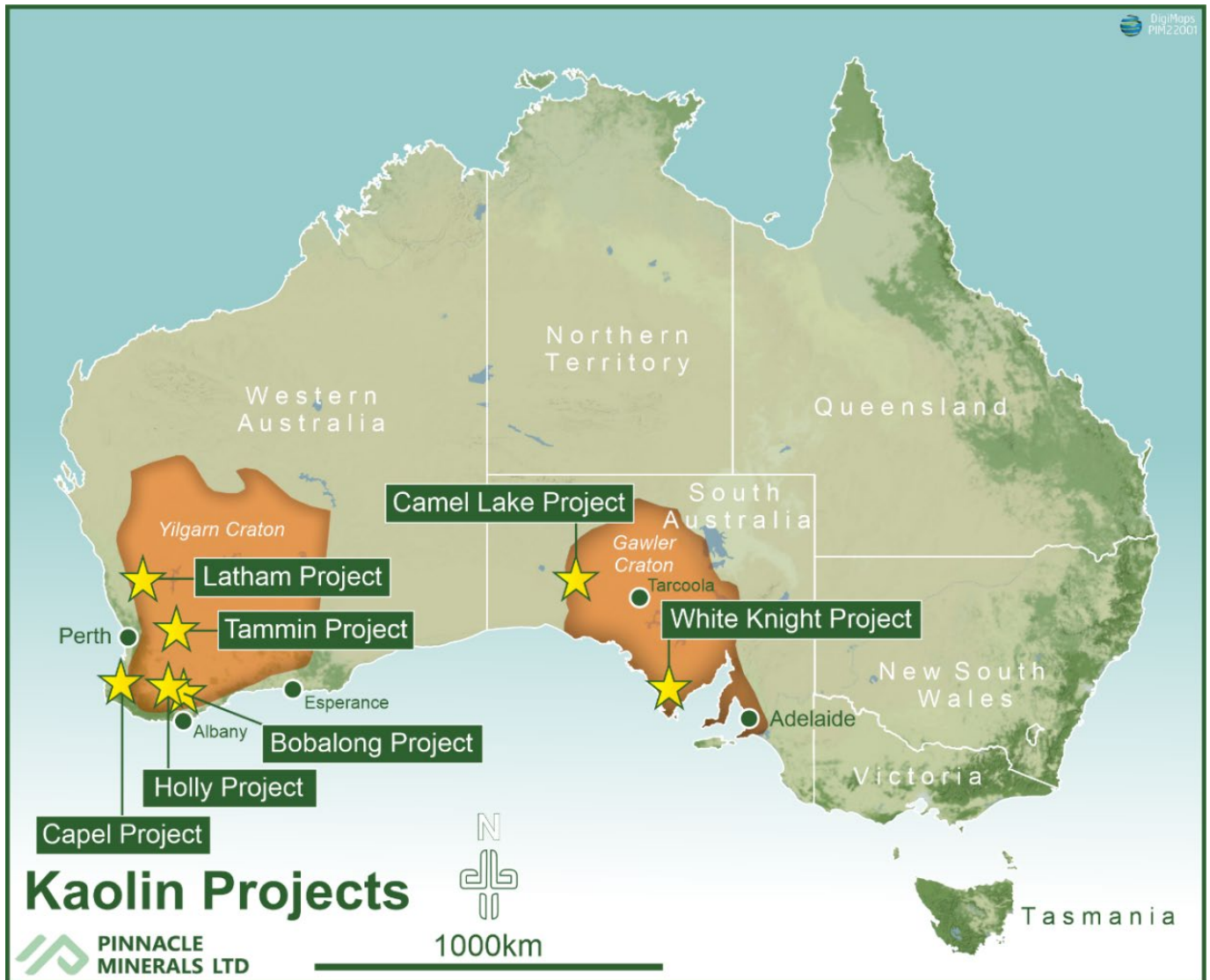


Figure 1: Pinnacle Minerals Projects' Location Map