



PROJECTS- AUSTRALIA



ABOUT

PepinNini Minerals Limited is a diversified ASX listed Exploration Company focused on developing and discovering major new mineral deposits. The Company has secured strategically located exploration tenements in the Musgrave Province of South and Western Australia, and the Georgetown Inlier of North Queensland.. A portfolio of prospective exploration tenements has recently been established in Argentina.

DIRECTORS

**Rebecca Holland-Kennedy**

Managing Director

**Philip Clifford**

Technical Director

**Robert WeiSun**

Non-Executive Director

**Sarah Clifton-Brown**

Finance Director

**Justin Nelson**

Company Secretary

CONTACT

PepinNini Minerals Limited  
ABN 55 101 714 989

Level 6, 108 King William Street,  
Adelaide SA 5000  
TEL: +61 (0)8 8218 5000  
FAX: +61 (0)8 8212 5717  
EMAIL: admin@pepinini.com.au

FURTHER INFORMATION

**Ms Rebecca Holland-Kennedy**

Managing Director

TEL: +61 (0)8 8218 5000

www.pepinini.com.au



## QUARTERLY ACTIVITIES AND CASH FLOW REPORT

### DECEMBER 2015

- ◆ **Caroline Project (Central Musgrave)** -The PNN/CSIRO/SA DSD airborne electromagnetic survey collaboration is scheduled for March-April 2016
- ◆ **Musgrave Project** –PNN subsidiary NCL and Rio Tinto Exploration Pty Ltd(RTX) have agreed an extension of the Woodroffe Farm-in Joint Venture to 31 Jan 2016 to allow for a new expanded 70:30(NCL:RTX) Joint Venture to include tenements held by both partners and focussed on the Musgrave Province of SA and WA.
- ◆ **Share Purchase Plan** completes for 42% takeup of shares offered and raises \$261k before costs.
- ◆ **R&D tax offset refund** received \$362k for work carried out on the Musgrave R&D project.
- ◆ At the end of the quarter the Company held \$828k in cash.



## Musgrave Province Projects

### Caroline Project (South Australia)

PNN's Musgrave Project has been expanded during the quarter to include an additional 4 exploration licence applications so a total of 8 exploration licence applications in addition to the 2 granted exploration licences. The licences cover 14,003 km<sup>2</sup> and are in the name of NiCuI Minerals Ltd (NCL) a wholly owned subsidiary of PNN. The Musgrave Project area includes the Farm-in Joint Venture with Rio Tinto Exploration which is over five Joint Venture tenements covering 1,378 km<sup>2</sup>. (See Figure 1).

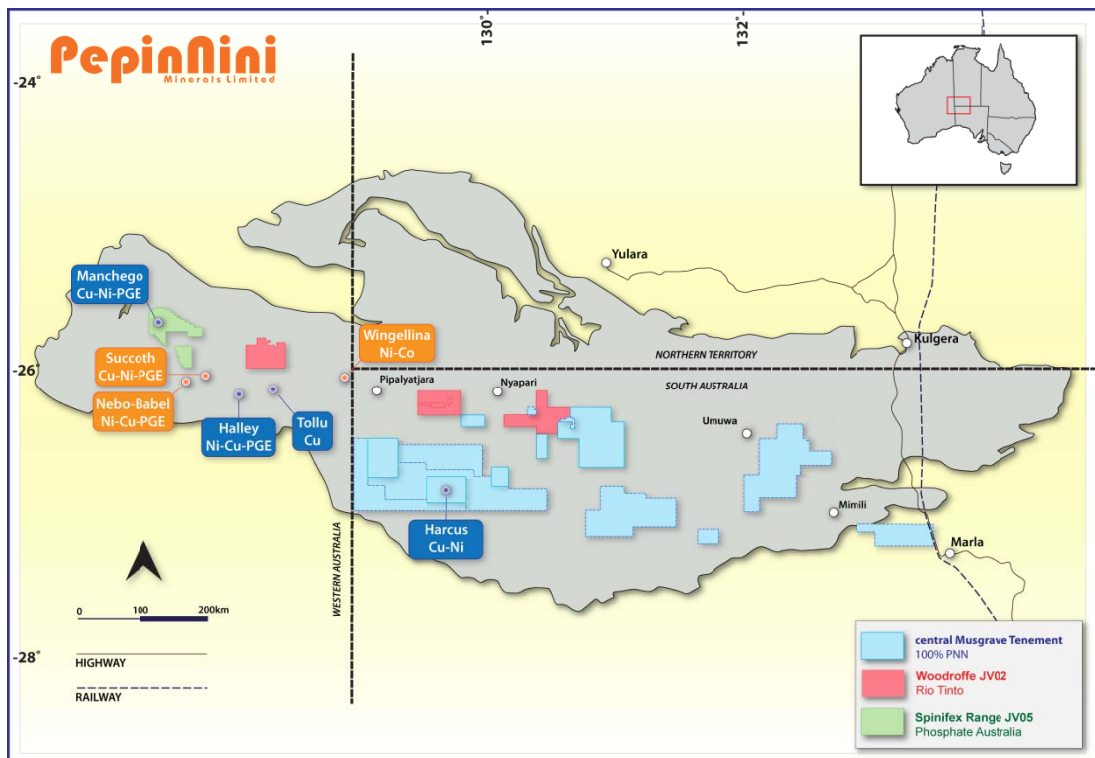


Figure 1: PNN's Musgrave Project locations, South Australia and Western Australia



PNN/NCL are participating in a research and development (R&D) collaboration with the Minerals Down Under (MDU) division of the Commonwealth Scientific & Industry Research Organisation (CSIRO), Geoscience Australia (GA) and the South Australian Department of State Development (SA DSD). During the quarter tenders were invited by GA to carry out an airborne electromagnetic survey (see Figure 2) and successful contractors are expected to be announced in January-February 2016 with the survey planned for April – May 2016.

The collaboration will involve the collection and interpretation of airborne electromagnetic datasets across the central Musgrave Region. The project aims to conduct regional electromagnetic data acquisition with the opportunity for PepinNini to undertake detailed infill surveying in a staged approach to assist targeting of nickel-copper sulphide mineralisation across prospect areas within the Company's Caroline and Anerinna Hills Project Areas (figure 2). No detailed high density surveys of this type have been carried out over the areas to be surveyed for PNN/NCL.

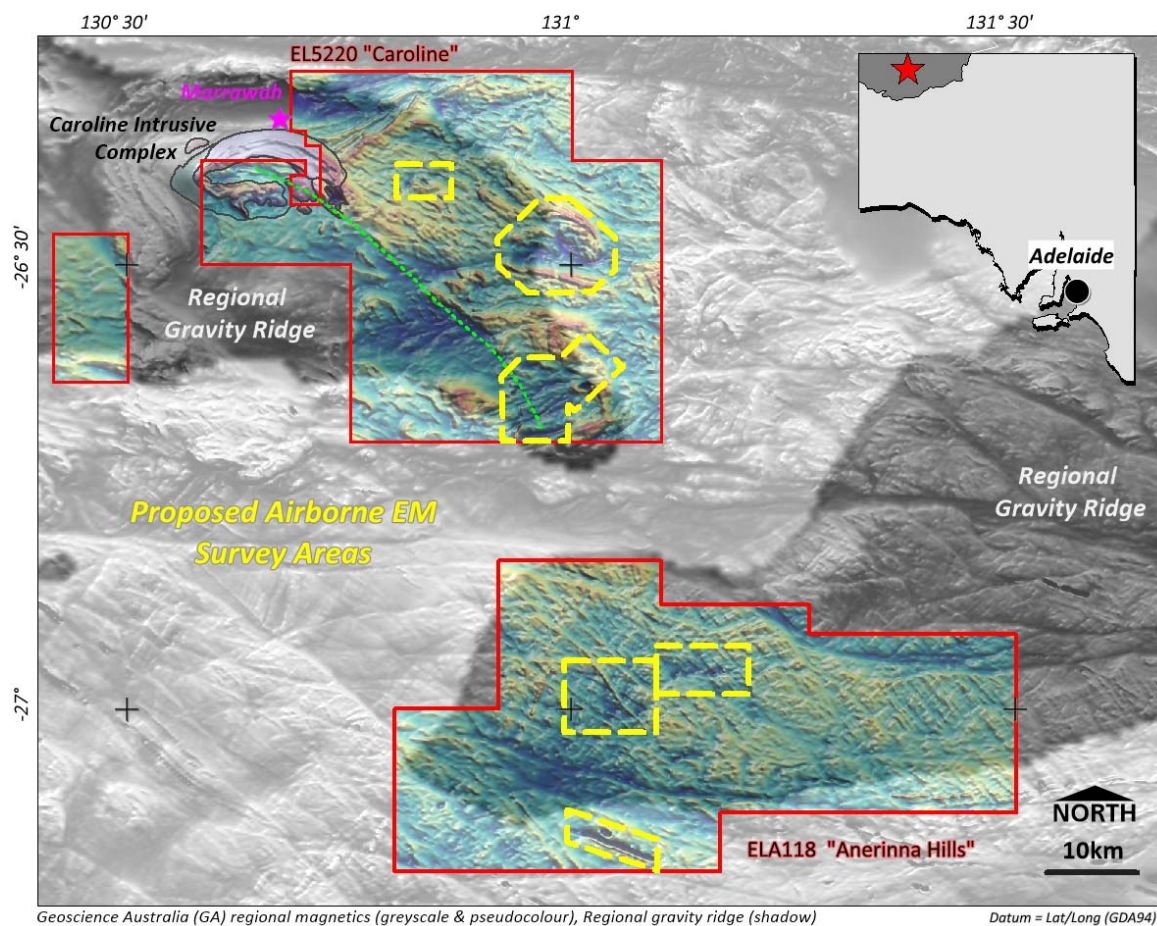


Figure 2 :Proposed Infill Airborne Electromagnetic Survey Areas - Caroline and Anerinna Hills Projects, central Musgrave Region South Australia



## Woodroffe Joint Venture (South Australia)

The Woodroffe Joint Venture Project (Figure 1) includes one granted exploration licence EL5185 and two exploration licence applications (ELA278/82, ELA491/94) covering 1,379 km<sup>2</sup> where NCL is earning a 51% interest in the project under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited. The two exploration licence applications have been re-configured and replaced by four applications over the same area (ELA211/15, ELA212/15, ELA213/15 and ELA214/15). The extension to the original agreement expired 8 December 2015 and NCL did not meet the farm-in commitment as the original two exploration licence applications have not been granted. The new extension now executed will allow the joint venture partners to complete and execute an expanded joint venture of 70% NCL and 30% RTE.

The new joint venture will include the original Woodroffe Joint Venture tenements and an additional tenement from RTE with three tenements from PNN/NCL. The estimated area to be included is 8,000km<sup>2</sup>.

Once executed the focus of exploration activities will be to progress the granting of exploration applications and participation in the planned aerial electromagnetic survey in collaboration with CSIRO and the SA DSD scheduled for early 2016.

The granted licence (EL5185) covers the northern and western portions of the Caroline Intrusive complex and the eastern margins of the Hanging Knoll mafic intrusion. The company has extensively explored the Caroline Intrusion with airborne geophysics, ground geophysics, surface geochemical sampling, vacuum regolith drilling and diamond core drilling (Figure 3). At the Marrawah Prospect, on the northern margin of the Caroline Intrusion, massive sulphide accumulations containing abundant pyrrhotite (iron sulphide) with accessory pyrite (iron sulphide) and chalcopyrite (copper sulphide) were discovered during FY14, in association with intrusive mafic lithologies including pyroxenite and gabbro. The discovery of the sulphide accumulations at Marrawah reinforce the reliability of innovative high-moment airborne electromagnetic surveying techniques as a valuable exploration targeting tool in this region.

The two exploration licence applications ELA 278/82 and ELA 491/94 (now ELA211/15, ELA212/15, ELA213/15 and ELA214/15) within the joint venture project are located within what are considered to be favourable geological locations prospective for nickel-copper-sulphide mineralisation. The company is seeking to advance the access status of the application areas and feel the newly re-configured licence application areas are in keeping with a respect for features which have a cultural significant for the Traditional Owners the Anangu Pitjantjatjara Yankunytjatjara.

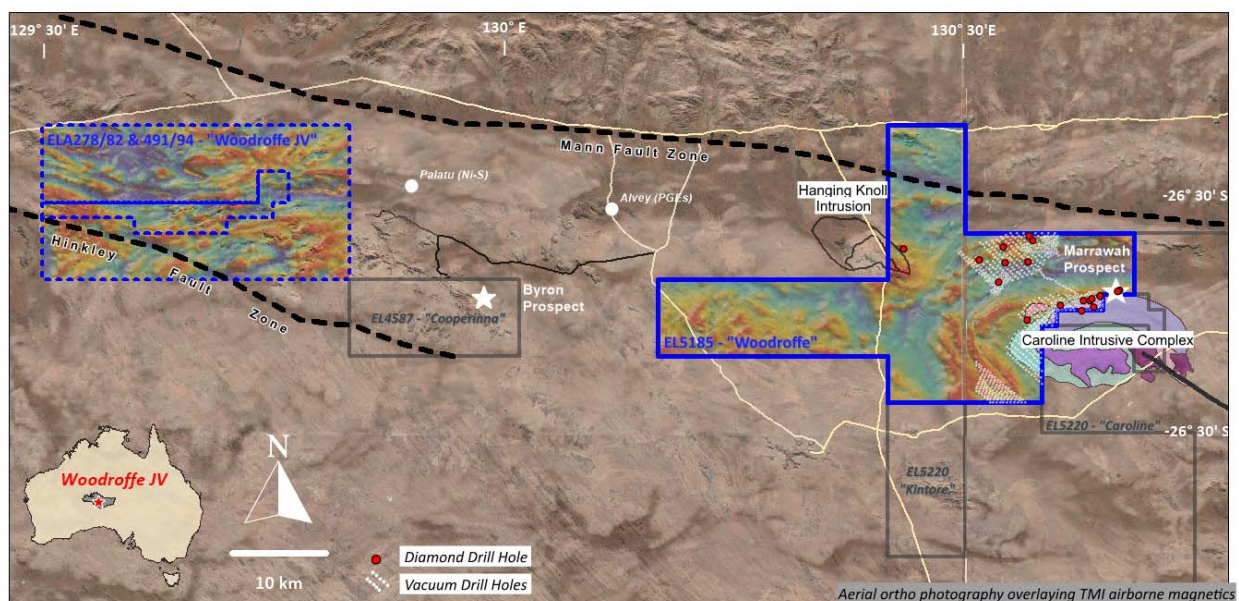


Figure 3 - Woodroffe Joint Venture Project Tenement



## Spinifex Range Project (Western Australia)

During the quarter exploration activities were restricted to awaiting Statutory environmental and Program of Work applications to commence diamond core drilling to test potential nickel-copper sulphide (Ni-CuS) and PGE mineralisation at the Spinifex Range Project in the West Musgrave Province, Western Australia. The Project is under an option agreement with Phosphate Australia Ltd (ASX:POZ) which secures a two year period for the Company to investigate and potentially acquire an 80% share of exploration licenses E69/2864 and E69/3191 which cover an area totalling 785.7km<sup>2</sup> (Figure 4). POZ currently hold 100% of the tenements. Should PNN choose to complete the purchase an 80:20 joint venture would be established between PNN and POZ to develop the project.

The tenements are strategically located within geological formations that have an established endowment of Ni-Cu-PGE mineralisation, the most significant of these being the Nebo-Babel nickel-copper deposit (31Mt @ 0.7% Ni and 0.6% Cu - as announced by CZI on 21/2/15) located 14km to the south of tenement E69/3191.

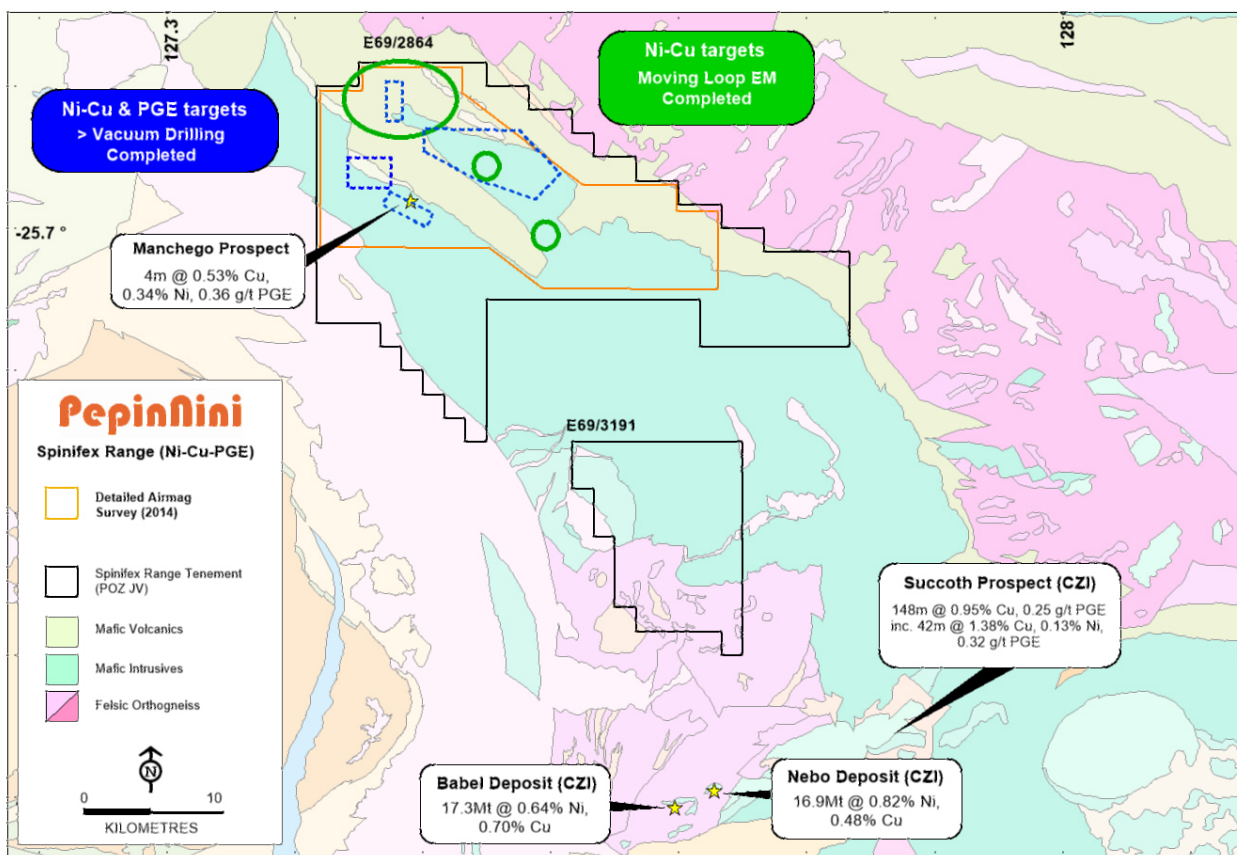


Figure 4 : Schematic regional geology of Spinifex Range Project (E69/2864)

During the previous quarter a total of six hundred and twenty two (622) vertical holes were completed using the company's vacuum drill rig to an average depth of 5.1m for a combined total of 3,170m. The activities were undertaken to examine geochemical distributions within soils across a number of prospect areas where interpretation of the 2014 detailed airborne magnetic and proximal historic exploration results suggested the untested potential for nickel - copper sulphide or PGE mineralisation within the north west extension of the Jameson Intrusion, refer Figure 5.

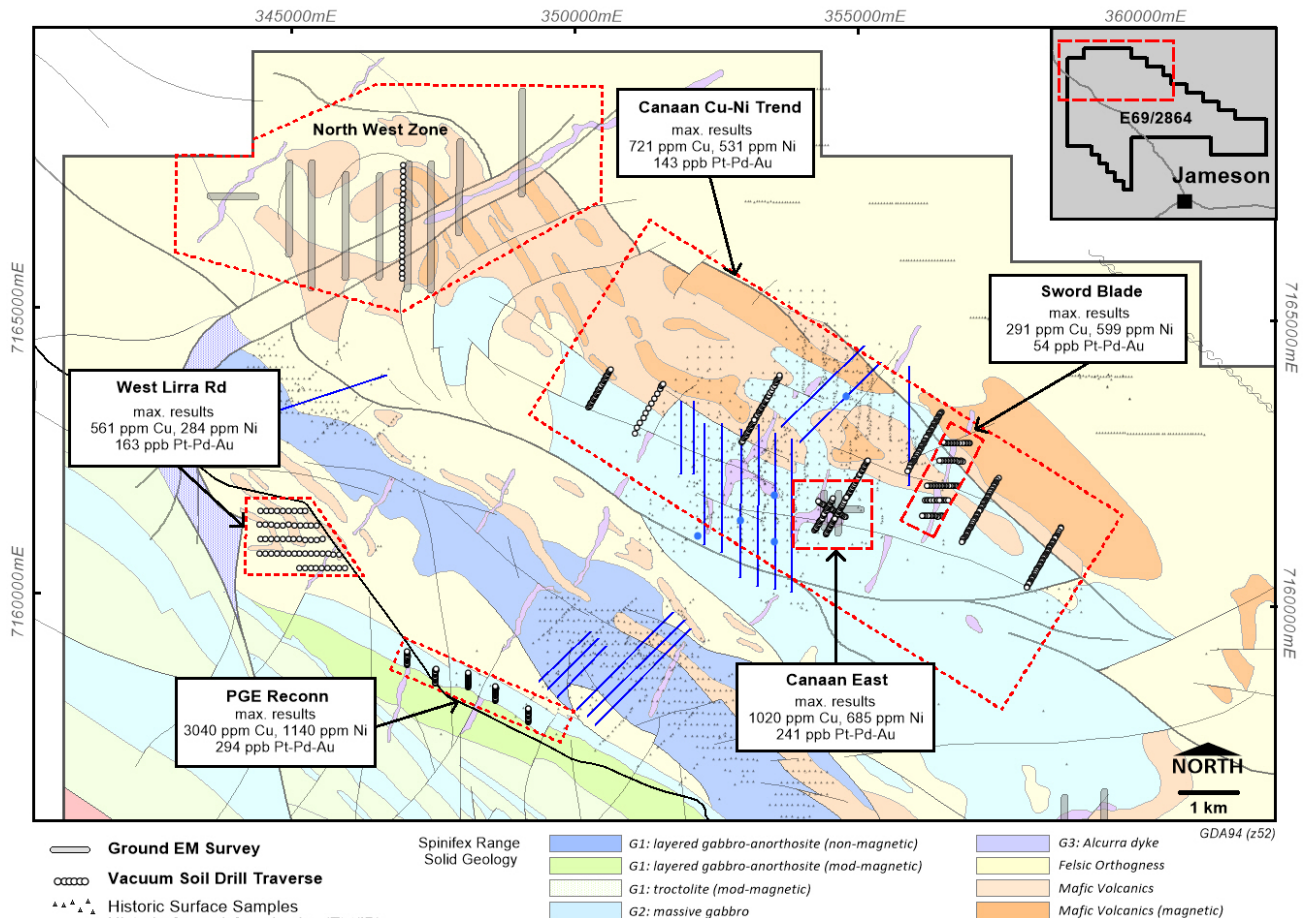


Figure 5: Location of vacuum regolith soil drilling areas within E69/2864 "Spinifex Range".

The most encouraging Ni-Cu and PGE results announced 18 September 2015 were returned from the PGE Recon Prospect where five traverses of close spaced holes were completed along a 2.5 kilometre section of airborne magnetic ridge interpreted to represent enriched basal PGE-magnetite mineralisation within the bedrock sequence (Figure 6). The variable results up to 140ppb Platinum(Pt), 151ppb Palladium(Pd), 107ppb Gold(Au), 0.11% Ni and 0.3% Cu confirm the potential of the interpreted geological setting of this feature.

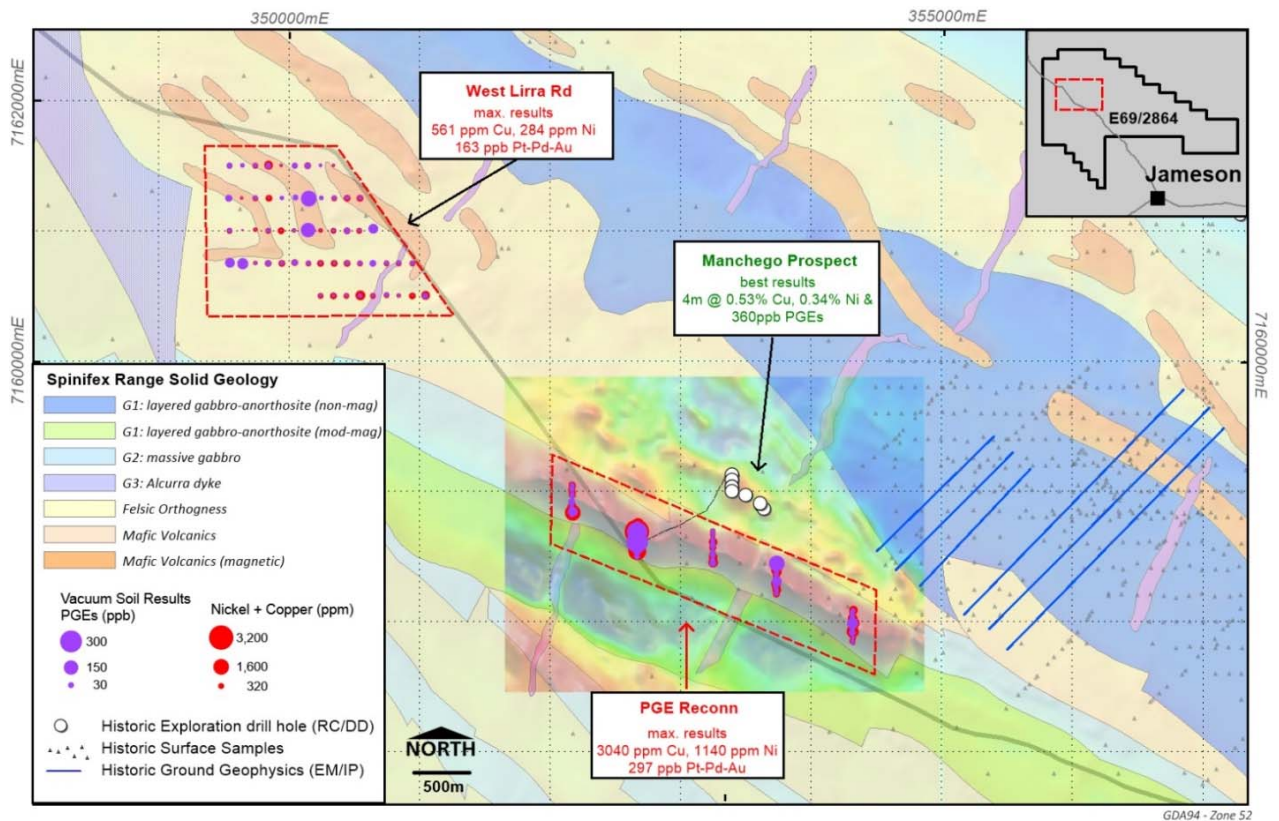


Figure 6: Vacuum regolith soil drilling - West Lirra Rd - PGE Recon Prospects

The "Canaan East" prospect also returned encouraging soil geochemistry up to 685ppm Ni, 1020ppm Cu, 109 ppb Pt, 101 ppb Pd and 35 ppb Au across a discrete magnetic feature interpreted to represent a small intrusive "feeder" structure (Figure 7). Trace sulphides were observed in some vacuum samples across this target. These variable results from the closely spaced samples suggest that the bedrock sequence does likely contain Ni-Cu, Pt-Pd and Au mineralisation albeit at a small scale. However, the results of earlier ground electromagnetic surveying (EM) undertaken by PepinNini across the prospect, along with results of historic sampling, geophysics (EM and Induced Polarisation(IP)) and drilling by Western Mining Corporation(WMC) across the adjoining stratigraphy between 1998 - 2004 do not support a strong potential for significant massive or disseminated magmatic sulphide system in the prospect area. Evaluation of the data is continuing.

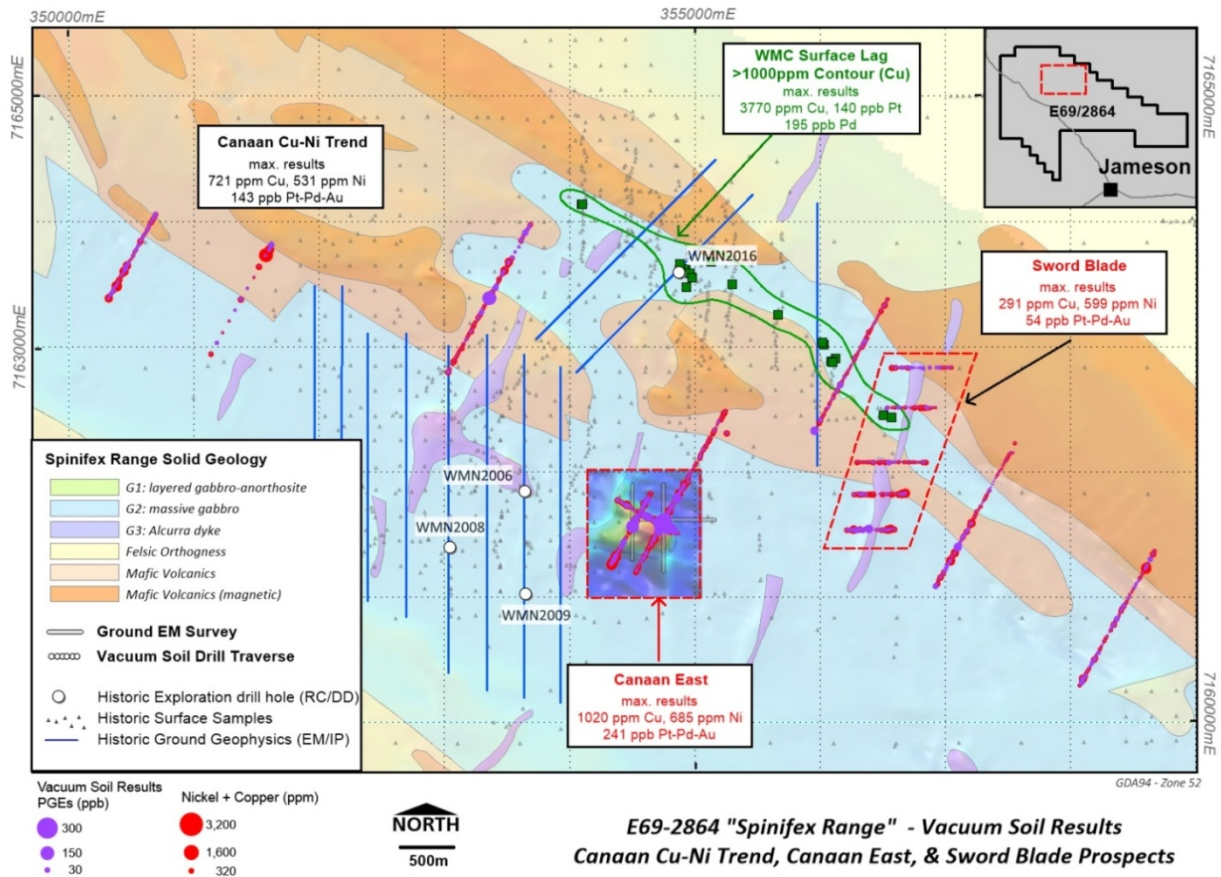


Figure 7: Vacuum regolith soil drilling - Canaan Cu-Ni Trend, Canaan East & Sword Blade Prospects

All statutory environmental and Program of Work applications have now been approved together with heritage approvals gained during the previous quarter and the Company is considering strategic exploration priorities before commencing drilling activities on the project.





## Argentina Salta Projects

During the quarter PNN wholly owned Argentine entity Pepinini SA has surrendered the Chivinar Project which comprised seven granted mining leases and two mining lease applications and covers 226 kms<sup>2</sup> (see location Figure 8). It was felt the project area had limited scope for a significant discovery and that there was no prospective technical justification for the commencement of on-ground exploration activities and the retention of the project. The Company have retained the Santa Ines Project which comprises two granted mining leases and two mining lease applications covering approximately 68 km<sup>2</sup> and which was the subject of exploration activities in 2013-2014 and further work remains under consideration.

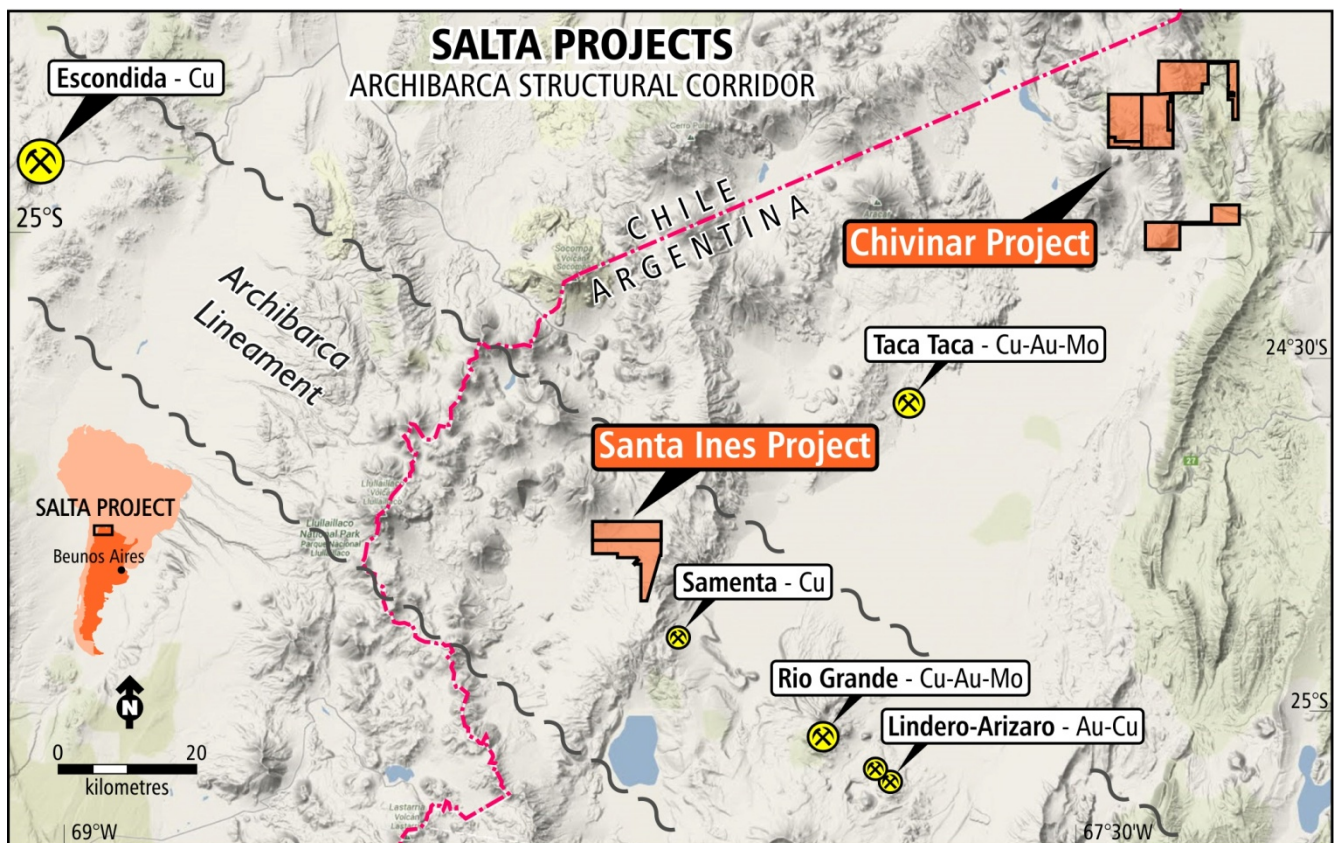


Figure 8: Location of PNN's Santa Ines and Chivinar Projects

No field work was carried out at either of the project areas during the quarter.

The Company is continuing to actively seeking new project areas within Argentina.



## ***Robinson Range Iron Ore Project (Western Australia)***

During the previous quarter PNN announced that it had negotiated a withdrawal from the Robinson Range and Jackson Iron Ore joint venture projects located in the Midwest region of Western Australia. The collapse of iron ore prices and the forward projections of the iron ore commodity market in part due to the increased mine supply by major global producers has compelled PepinNini over the past two years to re-assess the value of the Robinson Range Iron Ore Project and has ultimately prompted the decision by Directors to withdraw from the joint ventures after attempts to on-sell the projects failed. The company has now completed the settlement of the Jackson Iron Ore Joint venture and will retain a Gross Iron Ore Royalty in respect of three tenements. The second joint venture, the Robinson Range Iron Ore Joint Venture awaits execution of the Gross Iron Ore Royalty agreements in respect of two tenements for completion which is now expected during January-February 2016.



## Queensland Uranium and Gold Projects

During the quarter field reconnaissance activities were carried out over EPM18978 (Oasis). Activities covered the locating of historic drill samples which will contribute to participation by PNN in a Uranium Leach Research Project initiated by CSIRO and under consideration for co-funding by the Mineral Institute of Western Australia (MRIWA).

Due to access and logistic difficulties in respect of the Clarke River and Keppel Creek exploration permits and to reduce tenement maintenance costs, the Directors resolved to surrender these two tenements during the quarter. The sale of ML2720 had completed in the previous quarter.

PNN retains EPM18978 (Oasis) in North Queensland which comprises a uranium project, is considered prospective for gold and cover 147km<sup>2</sup> (Figure 9).

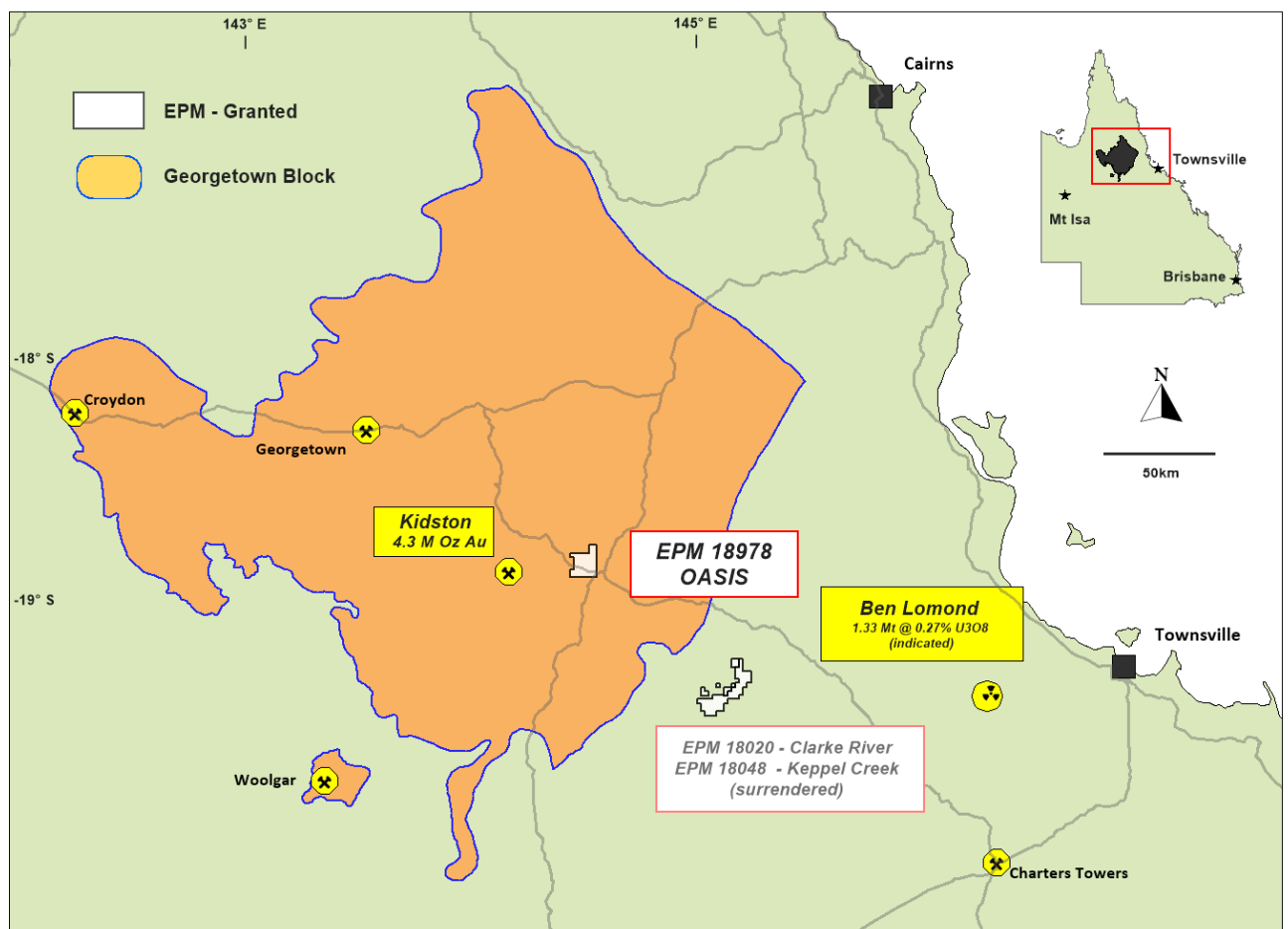


Figure 9: Queensland Tenement Regional Location Plan

## Project Generation

PNN continues to actively seek and assess a variety of gold, precious metal and base metal projects that may present a value adding opportunity to the project portfolio of the company.



## TENEMENT SCHEDULE

### Australia

Tenement	Tenement Name	Area Km <sup>2</sup>	Pepinini Interest	Grant Date
<b>South Australia</b>				
EL 4587	Mt Marcus	1,607	100%	25/10/10
EL 5220	Mt Caroline	1,918	100%	25/2/13
EL 5185	Woodroffe	764	Earning 51%	24/9/12
ELA 278/82	Jalakana	77	Earning 51%	application
ELA 491/94	Aparatjara	537	Earning 51%	application
ELA 118/96	Anerinna Hills	2,415	100%	application
ELA 185/96	Willugudinna	823	100%	application
ELA 367/09	Mt Caroline West	46	100%	application
ELA 368/09	Hanging Knoll	34	100%	application
ELA 189/15	Katalina	2,360	100%	application
ELA 190/15	Mt Agnes	1,342	100%	application
ELA 191/15	Krewinkel Hill	1,256	100%	application
ELA 197/15	Ironwood Bore	2,202	100%	application
<b>Queensland</b>				
EPM 18020	Clarke River	187	Surrendered	4/2/13
EPM 18048	Keppel Creek	41	Surrendered	31/3/11
EPM 18979	Oasis	147	100%	17/8/12
<b>Western Australia</b>				
E51/1033		161	40% (withdrawing)	22/9/05
E52/1613		91	40% (withdrawing)	29/3/06
E52/1670		27	Expired	23/11/04
E52/1672		106	40% (withdrawing)	22/9/05
E52/1723		61	50% (withdrawing)	1/12/04
E52/1910		200	50% (withdrawing)	10/8/06
E52/1964		34	Surrendered	1/11/07
E69/2864		619	Earning 80%	7/3/12
E69/3191		167	Earning 80%	13/10/14
<b>Total - 20</b>		<b>16,960</b>		

### Argentina

Tenement	Type	Province	Application	Granted	Applied Area Ha	Title Holder
Santa Ines II	Mina	Salta	05-Jul-13	27-Jun-13	3,892	Surrendered
Santa Ines X	Mina	Salta	08-Nov-13	Not yet	379	Surrendered
Santa Ines VII	Mina	Salta	15-Apr-13	28-Nov-13	3,500	Surrendered
Santa Ines XI	Mina	Salta	12-Mar-14	Not yet	525.6	Surrendered
Santa Ines IV	Mina	Salta	25-Jun-12	10-Sep-13	3,598	Surrendered
Santa Ines III	Mina	Salta	15-Mar-12	7-Nov-13	1,055	Surrendered
Santa Ines V	Mina	Salta	25-Jun-12	10-Sep-14	2,643	Surrendered
Santa Ines VI	Mina	Salta	26-Jun-12	21-Nov-13	3,500	Surrendered
Santa Ines IX	Mina	Salta	30-Jul-13	20-Aug-14	3,417	Surrendered
Mina Santa Ines	Mina	Salta	27-Sep-10	20-Sep-11	18	PNN SA 100%
Santa Ines VIII	Mina	Salta	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
Santa Ines XII	Mina	Salta	11-Oct-14	Not yet	511	PNN SA 100%
Santa Ines XIII	Mina	Salta	11-Oct-14	Not yet	3,311	PNN SA 100%
<b>Total 13</b>					<b>29,349.6</b>	



*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is the Technical 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Phil Clifford 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:**

Rebecca Holland-Kennedy

Managing Director, PepinNini Minerals Limited

Phone: (08) 8218 5000

**Note:** Additional information on PNN Minerals Limited can be found on the website :[www.pepinnini.com.au](http://www.pepinnini.com.au)

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**PepinNini Minerals Limited**

ABN

**55 101 714 989**

Quarter ended ("current quarter")

**Dec 2015**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	<b>3</b>	26
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	<b>(329)</b>  <b>(189)</b>	(751)  (349)
1.3 Dividends received	<b>3</b>	9
1.4 Interest and other items of a similar nature received	<b>3</b>	9
1.5 Interest and other costs of finance paid	<b>362</b>	362
1.6 Income taxes paid/refund	<b>0</b>	0
1.7 Other (provide details if material)	<b>0</b>	0
<b>Net Operating Cash Flows</b>	<b>(150)</b>	(703)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 22	- - 22
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>22</b>	22
1.13 Total operating and investing cash flows (carried forward)	<b>(128)</b>	(681)

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	<b>(128)</b>	(681)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	261	261
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	261	261
	<b>Net increase (decrease) in cash held</b>	<b>133</b>	(420)
1.20	Cash at beginning of quarter/year to date	<b>695</b>	1,248
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>828</b>	828

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	<b>109</b>
1.24	Aggregate amount of loans to the parties included in item 1.10	

#### 1.25 Explanation necessary for an understanding of the transactions

- |   |               |
|---|---------------|
| 1. Chairman, Managing Director, Administration Director and non-executive directors' Remuneration   | .....\$99,215 |
| 2. Chairman, Managing Director, Administration Director and non-executive directors' Superannuation | \$9,479       |

### Non-cash financing and investing activities

#### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

#### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standbyarrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	
4.3 Production	
4.4 Administration	100
<b>Total</b>	<b>400</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Currentquarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	<b>469</b>	<b>86</b>
5.2 Deposits at call	<b>359</b>	<b>609</b>
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>828</b>	<b>695</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E52/1670 - WA EPM18020 - QLD EPM18048- QLD Chivinar Project 9 mina - Argentina	Tenement expired Tenement surrendered Tenement surrendered Mina Surrendered	40% 100% 100% 100%	Nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased	ELA 189/15 SA ELA 190/15 SA ELA 191/15 SA ELA 197/15 SA	Tenement application Tenement application Tenement application Tenement application	Nil	100% 100% 100% 100%

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

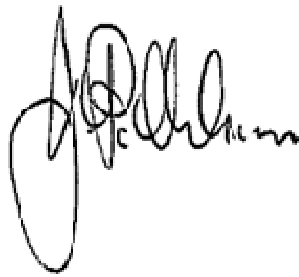
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
7.2				
7.3	219,484,486	219,484,486	N/A	N/A
7.4	(a) 24,392,538	(a) 24,392,538	(a) 1.07c	(a) 1.07c
7.5				
7.6				
7.7	2,500,000 2,500,000 1,600,000 300,000 300,000 300,000	0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee)	<i>Exercise price</i> 4c 6c 12.5c 3c 6c 10c	<i>Expiry date</i> 1 Jun 16 1 Jun 16 1 Jun 16 9 Nov 17 9 Nov 18 9 Nov 19
7.8				
7.9				
7.10	200,000 200,000 200,000	0 (employee) 0 (employee) 0 (employee)	3c 6c 10c	6 Dec 15 6 Dec 15 6 Dec 15
7.11				
7.12				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(~~Director~~/Company secretary)

Date: Thursday 28 January 2016

Print name: Justin Nelson.....

---

+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==