



28 May 2018

Dear Shareholder

As announced on 28 May 2018 PepinNini Lithium Limited (ACN (101 714 989)) (**PNN**) is undertaking a one for four pro rata non-renounceable offer of 133,310,354 shares (**New Shares**) to raise approximately \$2,799,517 (before costs) (**Rights Issue** or **Offer**). The price of the New Shares under the Offer is \$0.021 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 28 May 2018.

The Proceeds of the Offer are planned to be used on our Lithium Brine Project in Salta, Argentina in accordance with the table set out below:

| Use of Funds                                                                                                                                                                                                          | Amount             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1.Drilling boreholes (up to 3) for aquifer testing and brine grades                                                                                                                                                   | <b>\$1,051,744</b> |
| 2.Analysis of samples (up to 250)                                                                                                                                                                                     | <b>\$29,568</b>    |
| 3.Pumping and hydraulic testing & sampling(up to 2 boreholes)                                                                                                                                                         | <b>\$763,102</b>   |
| 4.Production well equipment for conversion from pumping well(up to 2)                                                                                                                                                 | <b>\$414,120</b>   |
| 5.Environmental monitoring and rehabilitation                                                                                                                                                                         | <b>\$126,000</b>   |
| 6.Resource modelling and estimation                                                                                                                                                                                   | <b>\$118,440</b>   |
| 7.General working capital(6 months costs) to cover office rental \$24,000, electricity \$2,000, communications \$4,000, office staff salaries \$130,800 field staff salaries \$91,944 and office consumables \$3,800. | <b>\$256,544</b>   |
| 8.Expenses of the Offer to cover ASIC filing fees \$2,400, legal fees \$11,153, share registry \$14,000, printing, mail out \$2,000, and ASX quotation fees \$10,447.                                                 | <b>\$40,000</b>    |
| <b>TOTAL</b>                                                                                                                                                                                                          | <b>\$2,799,517</b> |

The Offer is being made to all Eligible Shareholders of the Company (**Shareholders**) named on its register of members at 7pm(AEST) on 31 May 2018,. Eligible Shareholders are those with registered addresses in Australia and New Zealand.

Entitlements cannot be traded on ASX or any other securities exchange or privately transferred.

New Shares when issued will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer and assuming maximum subscription, the Company will have on issue approximately 666,551,770 Shares. A copy of the Prospectus is available on ASX's and PNN's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 4 June 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus. The Prospectus will contain detailed instructions regarding the actions available and required of Eligible Shareholders.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Eligible Shareholders may apply for additional New Shares which are not taken up by other shareholders. The number of additional New Shares available will depend on the level of acceptance of Entitlements by Eligible Shareholders and whether the directors decide to issue any shortfall.

#### Key dates for the Offer

| EVENT                                                                                                                  | DATE                    |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Prospectus lodged with ASIC and ASX<br>Company applies for quotation (Appendix 3B)                                     | 28 May 2018             |
| Company sends notice to security holders containing the information required by Appendix 3B                            | 29 May 2018             |
| "Ex" Date                                                                                                              | 30 May 2018             |
| Record Date to identify Shareholders entitled to participate in the Offer                                              | 31 May 2018, 7pm(AEST)  |
| Prospectus and Entitlement and Acceptance Forms dispatched to Shareholders, Offer period opens                         | 4 June 2018             |
| Closing date for acceptances                                                                                           | 5pm (AEST) 20 June 2018 |
| Shares quoted on a deferred settlement basis                                                                           | 21 June 2018            |
| Notification to ASX of under subscriptions                                                                             | 25 June 2018            |
| Issue date for New Shares issued under the Offer Deferred settlement trading ends<br>Updated Appendix 3B (if required) | 27 June 2018            |
| Trading of New Shares on ASX commences                                                                                 | 28 June 2018            |

This timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to vary these dates, including the closing date, without prior notice. Any extension of the closing date will have a consequential effect on the allotment date for New Shares.

If you require further information regarding the Entitlement Offer, please contact the Company on 02 9417 6212 between 8.30am and 5.30pm (AEST) Monday to Friday.

Yours sincerely



Rebecca Holland-Kennedy  
Managing Director