

# Pepinini

Minerals Limited

**FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020**



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## Directors' report

The Directors of PepinNini Minerals Limited (PepinNini, PNN, the Company) submit herewith the financial report of the Company and its subsidiaries (the Group) for the half-year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report, except as otherwise noted:

Ms Rebecca Holland-Kennedy

Mr Luis Kennedy (Appointed 7 August 2020)

Mr Robert (Wei) Sun (Appointed 26 November 2020)

Mr Andre Wessels (Appointed 9 March 2020 and resigned 25 November 2020)

Mr George Cumplido (Appointed 23 June 2020 and resigned 7 August 2020)

## Review of operations

During the reporting period, the Company changed name to PepinNini Minerals Ltd to reflect the diversified nature of the Company. The Company completed a restructure through a 100:1 share consolidation. A total of \$2,736,238 before costs was raised through three placements to sophisticated investors and an entitlement issue which was oversubscribed.

The Company carried out an extensive review of exploration targets within the company's portfolio together with a broader market review of commodities with strong demand. It was felt that Nickel, Copper, Gold, Lithium and more recently Kaolin/Halloysite were valuable targets for PNN and suited our project portfolio. In keeping with this analysis, the Company commenced negotiations for the acquisition of Hillside Minerals Pty Ltd which hold two exploration licence applications in South Australia. Hillside tenements have recorded occurrences of kaolin clay and are located directly adjacent to Andromeda Metals' (ASX: ADN) kaolin and halloysite projects.

In Argentina at the lithium brine project the Company progressed the brine blending sampling program for the Stage 2 beneficiation test work to follow up highly successful Stage 1 simulation test work, which delivered blended lithium brine concentrate containing 3.05% (30,500ppm) lithium with very low magnesium contaminate ratio (1.6:1 Magnesium:Lithium). Also, in Argentina, planning was carried out for a maiden drilling program at Santa Ines Copper-Gold Project.

At the Musgrave Nickel-Copper Project in South Australia with nickel now a very attractive target, the Company continued negotiations with the traditional owners for an Exploration Deed to allow for exploration at the priority Pink Slipper Farm-in Joint Venture with Rio Tinto.

### 1. Argentina - Salta Project

PepinNini Minerals Ltd's (PNN or the Company) wholly owned Argentine subsidiary PepinNini SA (PNN SA) holds ten mining licences (mina) totalling 19,851 hectares in the western part of Salta Province, NW Argentina. There are two projects:

1. Lithium brine project comprised of 6 mining leases totalling 13,713 hectares, one mining lease was relinquished during the period as it was felt to have no potential for a brine resource. A JORC 2012 LCE resource of 239,000 tonnes with 63% Measured + Indicated was defined in 2018-2019 on two salares. In 2019 computer simulation studies of blended brines from Rincon and Incahuasi Projects were undertaken. The results indicated an enriched brine evaporate could be expected from the blended product which would be higher in grade than the individual components due to the complementary and unique chemistry of the two projects. During the reporting period a review was undertaken of these studies leading to the decision to test blended brine samples from both salares under laboratory conditions to simulate the actual conditions on the salares. There were delays due to COVID-19 so this testing which will take some 4-6 months is now in preparation. This would test whether or not the traditional evaporation and concentration processing of brine to a product able to be processed to lithium carbonate (LCE) could be carried out efficiently with brine from the Rincon and Incahuasi Projects using reduced quantities of reagents due to the complementary chemistry and producing a lithium preliminary product with high lithium concentrations.
2. Santa Ines copper gold project comprised of 4 mining leases totalling 6,138 hectares, The Santa Ines project of four minas covering 6,840 ha is situated approximately 80km to the southeast along the same lineament as BHP's giant Escondida Copper (Cu)-Gold (Au) porphyry in Chile and containing 5 billion tonnes at 1% Cu and 0.25 g/t Au. This deposit formed contemporaneously with the Santa Ines Formation event during the Late Eocene-Oligocene. Two programs of field work have been carried out on this project and drilling is now

planned for Q1 – 2021 to test the historical copper workings and a deeper target (El Obsequio) suggested by the ground geophysical program carried out in January 2014.

## 2. Musgrave Province Nickel-Copper-Cobalt Project

This project is located in far north west South Australia in the Anangu Pitjantjatjara Yankunytjatjara lands and the project is held by PepinNini wholly owned subsidiary NiCul Minerals Ltd (NCL)/ NCL hold two granted tenements and 8 exploration licence applications (ELA's) comprising 14,003km<sup>2</sup>. During the period PNN reviewed data from a collaborative aerial electro-magnetic survey (AEM) carried out in 2016-2017 in association with the SA government, CSIRO and Geoscience Australia. The AEM survey was highly significant for PNN providing considerably more data and coverage to allow the company to define targets previously not apparent due to limited data on its Mt Caroline and Ironwood Bore Projects which are targeting nickel copper cobalt sulphide mineralisation. The Mt Caroline licence is a granted tenement and Ironwood Bore is an ELA both requiring negotiation with the traditional owners the Anangu Pitjantjatjara Yankunytjatjara for access. This was limited in 2020 due to COVID-19 restrictions. The Company is continuing to seek engagement with the traditional owners for access as COVID-19 restrictions have reduced. This project has been a core project for the Company and previous drilling has intersected mineralisation of Copper 0.3% to 0.7%, Nickel 0.3% and Cobalt 0.1%.

## 3. Rio Tinto Joint Venture Musgrave Province, SA

PepinNini subsidiary NCL is earning an interest in 4 exploration licence applications (ELAs) of 615 km<sup>2</sup> from Rio Tinto Exploration Pty Ltd (Rio) in the Musgrave Province. Exploration is targeting magmatic nickel-copper-cobalt-PGE sulphide mineralisation. NCL is the operator for the project partners and during the last quarter of 2019 PepinNini presented to the Anangu Pitjantjatjara Yankunytjatjara (APY) Executive Board who subsequently passed a resolution agreeing in principle to the granting of an Exploration Deed for Exploration Licence Application (ELA) 2015/214. Unfortunately due to COVID-19 restrictions in 2020 the community consultation meeting required for the grant of an Exploration Deed was not able to take place. The ELA, contains the Pink Slipper Ni-Cu sulphide geophysical target first observed in 1999 from an aerial electro-magnetic (AEM) survey carried out by Rio, in March 2019 the CSIRO once again covered this target area with a new survey using more advanced and sensitive AEM methods. Consequently, the Pink Slipper is now a significant target (see Figure 1 below). Currently the legal advisors for APY are reviewing the draft Exploration Deed and community consultation meetings with the traditional owners, which are essential for granting of the Exploration Deed, are planned for 2021.

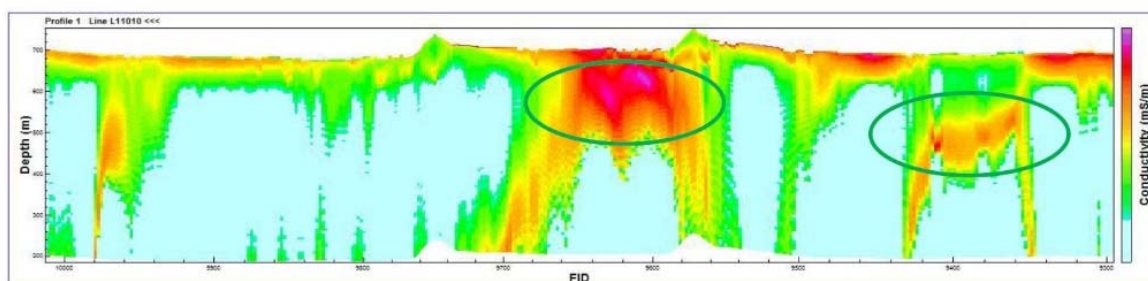


Figure 1 – Pink Slipper Geophysical Target on ELA 2015/214(courtesy CSIRO Spectrem EM Survey Mar 2019 ref: PepinNini ASX announcement 31 July 2019)

## 4. Project Generation – Eyre Peninsular Kaolin Project

During the reporting period the Company signed a conditional term sheet with the vendors of Hillside Minerals Pty Ltd (Hillside) to negotiate the acquisition of Hillside which holds two exploration licence applications (ELA 2020/210 and ELA 2020/175) covering 1,129km<sup>2</sup> on the Eyre Peninsula in South Australia (Figure 2). Under the Term Sheet PepinNini was given an exclusive period in which to carry out due diligence and negotiate on a potential acquisition. The exclusivity period expired 7 February 2021 and PNN has executed a Share Purchase Deed for the purchase of all of the issued shares in Hillside. The purchase consideration is payable in PNN shares and options and requires PepinNini to obtain shareholder approval at a meeting for the issue of the purchase consideration shares and options to the vendors. The transaction will be completed in a two-stage process with Stage 1 involving the acquisition of all of the shares in Hillside and Stage 2 involving various milestones payments to the vendors culminating in the tenements being granted. Following Stage 2 a Joint Venture between PepinNini and the vendors will be established. The vendors will establish a new entity (Newco) for participation in the joint venture for the exploration of the Tenements. The Joint Venture, which PepinNini will manage, will be PepinNini 80% and 20%Newco. The Newco interest will be free carried until a decision to mine the tenements, at which point an 80:20 mining joint venture would be established. PepinNini would continue as Manager and both parties contribute to the JV according to their respective share.



The tenements have recorded occurrences of kaolin clay. Both tenements directly adjoin tenements held by Andromeda Metals (ASX:ADN) on which JORC 2012 Resources of kaolin and halloysite have been reported (ASX announcements 26 November 2020, 29 September 2020 and 11 August 2020).

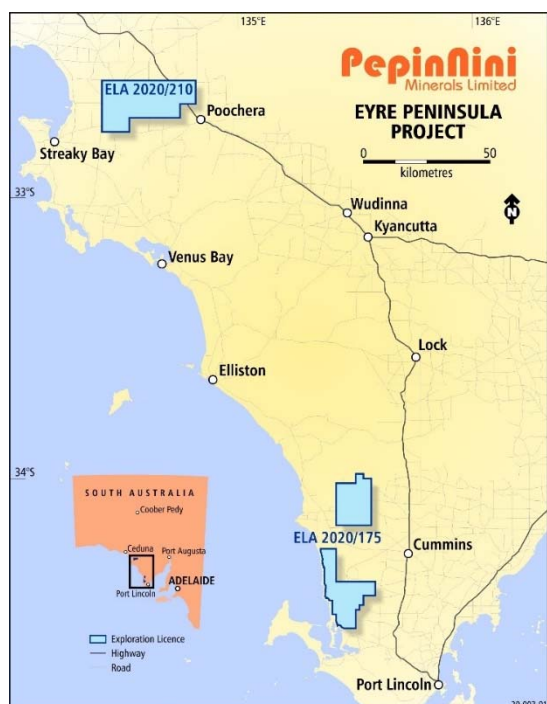


Figure 2 – Hillside tenements South Australia

## 5. Corporate

During the period, the Company saw two director changes. Luis Kennedy, the son of founding Director Norman Kennedy joined the Board on 7 August following the resignation of George Cumplido and on 26 November Robert (Wei) Sun re-joined the Board following the resignation of Andre Wessels. On 31 December company secretary Dom Francese resigned and Pamela Sayers was appointed effective 1 January 2021.

The Company carried out a reconstruction of share capital with a consolidation of 100:1 and subsequent activity has seen the share price increase sixfold since the consolidation. The Company completed three share placements to sophisticated investors and an entitlement issue which was 46% over subscribed to raise a total of \$2.7m. After the end of the reporting period, the Controlled Placement Agreement (CPA) with Acuity Capital was exercised to raise a further \$306,000 at an average share price of \$0.306 per share.

## 6. Company Focus

The Company focus for the next six months will be completion of the Hillside acquisition and commencement of exploration on the Eyre Peninsular Kaolin Project. Drilling is planned for the Santa Ines Copper Gold Project in Argentina and test work to be carried out on blended brines at the Salta Lithium Project. The Company will continue to progress the Exploration Deed with the traditional owners for the grant of an exploration licence to test the Pink Slipper geophysical target under the Farm-in Joint Venture with Rio.

*The section on Salta Minerals project has been reviewed by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina 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". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.*

*The section on the kaolin project has been prepared with historical and public information compiled by Suziany Rocha de Souza MAusIMM. Suziany Rocha de Souza is Exploration Manager-Australia, PepinNini Minerals Ltd 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". Suziany Rocha de Souza consents to the inclusion in the report of the matters based on her information in the form and context in which it appears*

Further information relating to the Company's projects and future directions has been made publicly available on PepinNini's web site at [www.pepinnini.com.au](http://www.pepinnini.com.au)

**Auditor's independence declaration**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink that reads "R. A. Holland-Kennedy". The signature is written in a cursive, flowing style.

Rebecca Holland-Kennedy  
Managing Director

11 March 2021



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**DECLARATION OF INDEPENDENCE  
BY PAUL GOSNOLD  
TO THE DIRECTORS OF PEPINNINI MINERALS LIMITED**

As lead auditor for the review of PepinNini Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PepinNini Minerals Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'Paul Gosnold'. The signature is written in a cursive, flowing style.

Paul Gosnold  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 11 March 2021



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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PEPINNINI MINERALS LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of PepinNini Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold  
Director

Adelaide, 11 March 2021

## Directors' declaration

In accordance with a resolution of the directors of PepinNini Minerals Limited and its Controlled Entities, I state that:

1. In the opinion of the directors:
  - a. the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
    - i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
    - ii. complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
  - b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
  - c. signed in accordance with a resolution of Directors pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink that reads "Rebecca Holland-Kennedy". The signature is written in a cursive, flowing style.

Rebecca Holland-Kennedy

Managing Director

11 March 2021

**Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$</b>	<b>\$</b>
Revenue	96,675	14,401
<b>Total</b>	<b>96,675</b>	<b>14,401</b>
<b>Expenses</b>		
Depreciation expense	520	710
Salary and employment costs	151,974	181,682
Operating expenses	127,107	100,125
Share registry	41,181	46,587
Airfares	3,234	19,941
Insurance	21,037	13,107
Bank Charges and State Taxes	2,550	5,753
Professional fees	57,555	90,343
Impairment of exploration asset	39,172	-
Legal fees	30,204	7,663
Currency Loss	51,920	89,759
<b>Total expenses</b>	<b>526,454</b>	<b>555,670</b>
Loss before tax	(429,779)	(541,269)
Income tax expense	(51,094)	-
Loss for the period	(480,873)	(541,269)
<b>Loss for the period</b>	<b>(480,873)</b>	<b>(541,269)</b>
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
<b>Total comprehensive income for the half-year</b>	<b>(480,873)</b>	<b>(541,269)</b>
<b>Earnings per share for loss attributable to members of PepinNini Minerals Limited</b>		
Basic (cents per share)	(2.1)	(4.3)
Diluted (cents per share) 3	(2.1)	(4.3)

Notes to the consolidated financial statements are included on pages 13 to 14.

		Consolidated	
		31 December 2020	30 June 2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		2,101,062	148,034
Trade and other receivables		180,673	201,310
Financial assets		320,000	-
Prepayments		-	66
Right of use asset		-	4,816
<b>Total current assets</b>		<b>2,601,735</b>	<b>354,226</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	5	18,175,493	18,077,365
Property, plant and equipment		5,522	2,774
Right of use of asset		29,058	-
<b>Total non-current assets</b>		<b>18,210,073</b>	<b>18,080,139</b>
<b>Total assets</b>		<b>20,811,808</b>	<b>18,434,365</b>
<b>Current liabilities</b>			
Trade and other payables		129,962	142,581
Lease Liability		25,047	8,278
Annual and Long Service Leave		210,366	199,139
Borrowing Related Party		-	50,000
<b>Total current liabilities</b>		<b>365,375</b>	<b>399,998</b>
<b>Non-current liabilities</b>			
Lease Liability		21,283	-
<b>Total non-current liabilities</b>		<b>21,283</b>	<b>-</b>
<b>Total liabilities</b>		<b>386,658</b>	<b>399,998</b>
<b>Net assets</b>		<b>20,425,150</b>	<b>18,034,367</b>
<b>Equity</b>			
Issued capital	3	33,784,923	31,553,476
Reserves		1,460,938	820,729
Retained earnings		(14,820,711)	(14,339,838)
<b>Total equity attributable to equity holders of the parent</b>		<b>20,425,150</b>	<b>18,034,367</b>

Notes to the consolidated financial statements are included on pages 13 to 15.

**Consolidated statement of changes  
in equity for the half-year ended  
31 December 2020**

	Issued and paid up capital	Prepaid share reserve	Attributable to members of PepinNini Minerals Limited			Total
			Reserves (Equity settled employee benefits reserve)	Share Based Payments Reserve	Retained earnings	
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
Balance at 1 July 2020	31,553,476	-	594,444	226,285	(14,339,838)	<b>18,034,367</b>
Loss for the period	-	-	-	-	(480,873)	<b>(480,873)</b>
Other comprehensive Income	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended 31 December 2020</b>	-	-	-	-	(480,873)	<b>(480,873)</b>
Issue of shares, net of transactions costs and tax (note 3)	2,231,447	216,345	-	423,864	-	<b>2,871,656</b>
<b>Balance at 31 December 2020</b>	<b>33,784,923</b>	<b>216,345</b>	<b>594,444</b>	<b>650,149</b>	<b>(14,820,711)</b>	<b>20,425,150</b>

**Consolidated statement of changes  
in equity for the half-year ended  
31 December 2019**

	Issued and paid up capital	Prepaid share reserve	Attributable to members of PepinNini Minerals Limited			Total
			Reserves (Equity settled employee benefits reserve)	Share Based Payments Reserve	Retained earnings	
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
Balance at 1 July 2019	31,105,226	-	707,116	-	(13,355,128)	<b>18,457,214</b>
Loss for the period	-	-	-	-	(541,269)	<b>(541,269)</b>
Other comprehensive Income	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended 31 December 2019</b>	-	-	-	-	(541,269)	<b>(541,269)</b>
Issue of shares, net of transactions costs and tax (note 3)	227,070	-	-	52,435	-	<b>279,505</b>
<b>Balance at 31 December 2019</b>	<b>31,332,296</b>	-	<b>707,116</b>	<b>52,435</b>	<b>(13,896,397)</b>	<b>18,195,450</b>

Notes to the consolidated financial statements are included on pages 13 to 15



## Consolidated cash flow statement for the half-year ended 31 December 2020

	Consolidated	
	Half-year ended	
	31 Dec 2020	31 Dec 2019
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(422,591)	(511,213)
COVID-19 Government funding	54,900	-
Receipts in the course of business	41,734	12,402
<b>Net cash used in operating activities</b>	<b>(325,957)</b>	<b>(498,811)</b>
<b>Cash flows from investing activities</b>		
Payment for exploration activities	(130,751)	(316,441)
Payments to acquire property plant and equipment	(3,268)	-
Proceeds from disposal of property, plant and equipment	-	23,181
Payments to acquire financial assets	(320,000)	-
Interest received	41	1,873
<b>Net cash used in investing activities</b>	<b>(453,978)</b>	<b>(291,387)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,981,858	300,000
Costs of issuing shares	(185,796)	(20,497)
Repayment of loan to Director	(50,000)	(122,000)
Repayment of lease liabilities	(12,031)	(12,265)
Payment of interest on lease liabilities	(1,068)	(570)
<b>Net cash provided by financing activities</b>	<b>2,732,963</b>	<b>144,668</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,953,028</b>	<b>(645,530)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>148,034</b>	<b>915,655</b>
<b>Net foreign exchange differences on foreign cash balances</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,101,062</b>	<b>270,125</b>

Notes to the consolidated financial statements are included on pages 13 to 15.

## Notes to the consolidated financial statements

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements by PepinNini during the interim reporting period in accordance with continuous disclosure requirements of the *ASX listing rules*.

#### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for when required by accounting standards. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period, except for the policies stated below.

#### Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

The Group has considered new accounting standards applicable for the current period; none of the changes have had an impact on the financial report.

#### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

### 2. Segment information

The Group applies AASB 8 Operating Segments which requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision-makers have been identified as the board of directors.

The operating segments are identified by management based on the nature of the product sold. Discrete financial information about operating businesses is reported to the board of directors on at least a monthly basis. The Group operates in one segment, being mineral exploration and development.

### 3. Issuances, repurchases and repayments of equity securities

A share consolidation of 100:1 was completed during the half year ended 31 December 2020. Earnings per share in the current and comparative periods have been adjusted to reflect the post consolidation share capital.

During the half-year reporting period, PepinNini Minerals Limited issued 20,914,880 new shares post consolidation equivalent (2019: 1,955,863 post consolidation equivalent).

PepinNini Minerals Limited issued no shares on the exercise of share options issued under its executive share option plan (2019 – no share options issued on executive share option plan).

PepinNini Minerals Limited did not purchase or cancel any ordinary shares during the period (2019 – no ordinary shares purchased or cancelled).

Potential ordinary shares are not treated as dilutive as to do so would reduce the loss per share for the half years ended 31 December 2020 and 31 December 2019. The number of options that were not included in the calculation was 17,608,637. (2019 - The number of options that were not included in the calculation 3,467,875 – post consolidation equivalent).

The following free attaching options were issued during the period for no consideration, to subscribers of the Entitlements Issue completed in October 2020, the Placement completed in October 2020, and the Placement completed in December 2020:

Number of options	Exercise price	Expiry date
10,421,413	\$0.2500	31 December 2023
1,550,000	\$0.3500	31 December 2023

2,500,000 options were issued to the lead manager and underwriter for nil consideration, in payment for their services in relation to the Entitlements Issue completed in October 2020. The options were issued on the same terms and conditions as those issued to subscribers of the Entitlements Issue. The equity-settled share based payment has been debited directly to issued capital, as it represents costs of issuing shares. Key details of the options are as follows:

Grant Date	Expiry Date	Fair Value of each option	Exercise price	Total fair value of options issued	Number of options vested and exercisable at 31 December 2020
26 November 2020	31 December 2023	\$0.1695	\$0.2500	\$423,864	2,500,000

#### 4. Investments in subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		December 2020	June 2020
		%	%
PepinNini Resources Curnamona Pty Ltd	Australia	100%	100%
NiCul Minerals Limited	Australia	100%	100%
PepinNini Robinson Range Pty Ltd	Australia	100%	100%
PepinNini Minerals International Pty Ltd	Australia	100%	100%
PepinNini QLD Pty Ltd	Australia	100%	100%
PepinNini Sociedad Anonima	Argentine Republic	100%	100%

#### 5. Exploration Expenditure

During the half year ended 31 December 2020 exploration expenditure of \$137,300 was capitalised (\$218,663 in the six months ended June 2020). There was an Impairment of \$39,172 (2019:nil) recognised in profit or loss.

#### 6. Transactions with Key Management Personnel

During the half year a Directors Loan of \$50,000 plus interest of \$892 (2019:\$122,000) was repaid by the company to George Holland Pty Ltd (a company of which Rebecca Holland-Kennedy is a Director), resulting in a Loan balance of nil at half year end (30 June 2020: \$50,000).

#### 7. Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2020.

#### 8. Subsequent Events

Subsequent to 31 December 2020 the Controlled Placement Agreement (CPA) was activated with Acuity Capital to raise \$306,000 for the placement of 1 million shares at an average price of \$0.306 per share.

A Share Purchase Agreement was entered into with shareholders of Hillside Minerals Pty Ltd (Hillside) for the purchase of all of the shares in Hillside. The purchase consideration is payable in PNN shares and options and requires PepinNini to obtain shareholder approval at a meeting for the issue of the purchase consideration shares and options to the vendors. Hillside hold two exploration license applications in South Australia.

Options exercised after the end of the year resulted in the issue of 4,419,535 shares raising \$1,133,547 of funds before costs.

No other matters or circumstances have arisen since 31 December 2020 that have significantly affected, or may substantially affect:

- (a) the Group's operations in future years, or
- (b) the results of the operations in future financial years, or
- (c) the Group's state of affairs in future financial years.