

A photograph of a lizard, likely a spiny-tailed lizard, in a desert environment. The lizard is positioned on the left side of the frame, facing upwards and to the right. It has a brown and yellow patterned body. The background consists of red soil, dry twigs, and some small green plants.

PepinNini

Minerals Limited

ABN 55 101 714 989

Financial Report
for the half year ended
31 December 2015

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Directors' report

The directors of PepinNini Minerals Limited (PepinNini) submit herewith the financial report of the company and its subsidiaries (the Group) for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The following persons were directors of PepinNini during the whole of the half-year and up to the date of this report:

- Ms Rebecca Holland-Kennedy
- Mr Robert Wei Sun
- Mr Phil Clifford
- Ms Sarah Clifton-Brown

Review of operations

The Company has been active during the reporting period with exploration activities focused on the Musgrave Province projects in South Australia and Western Australia as well as North Queensland. Exploration has been for base metals, uranium, and gold.

The Group currently has an interest in 18 exploration tenements covering approximately 16,213 km² in the South Australia and Western Australia portions of the Musgrave Province, and the Georgetown Inlier region of North Queensland.

The Company also holds two granted minas (mining lease) and two applications for conversion of cateo (exploration licence) into mina covering a total of approximately 68.63 km² covering the Santa Ines Project in the Argentine province of Salta.

1. Musgrave Province Nickel/Copper Project

PepinNini is currently undertaking exploration programs targeting nickel-copper sulphide, platinum group elements, and base metal mineralisation in the Musgrave Province, in both South Australia and Western Australia. The Company has three projects designated within the province being the Central Musgrave Project (SA), the Woodroffe Joint Venture Project (SA), and the Spinifex Range Project (WA).

The Central Musgrave project incorporates two granted exploration licences (EL5220, EL4587) and eight exploration licence applications (ELA118/96, ELA185/96, ELA367-368/09, ELA189-191/15 and ELA197/15) covering 10,478 km² which are held 100% by PepinNini subsidiary NiCuI Minerals Limited (NCL). The Woodroffe Joint Venture Project includes one granted exploration licence EL5185 and four exploration licence applications (ELA211-214/2015) covering 1,387 km². The previous arrangement whereby NiCuI Minerals could earn a 51% interest in the project under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited expired in December 2015. The companies have agreed to an extension to this agreement whilst the terms and conditions of an expanded joint venture between the parties are finalised to suit each partner. The Spinifex Range Project comprises two granted exploration licences (E69/2864, E69/3191) covering 782 km² which are held 100% by Phosphate Australia Limited where NiCuI Minerals Limited has an option agreement to explore and potentially purchase 80% of the project within a two year period for a consideration of \$500,000.

During the period, exploration activities have been focused on the Mt Caroline licence EL5220 of the Central Musgrave Project in South Australia and E69/2864 of the Spinifex Range Project in Western Australia.

Central Musgrave Project (SA)

PepinNini is 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). Despite some administrative delays within the government departments the tender process to carry out an airborne electromagnetic survey was initiated by GA during the December quarter and successful contractors are expected to be announced in February-March 2016 with the survey planned for April – May 2016.

The R&D 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 and provides the opportunity for PepinNini to participate in detailed infill surveying in a staged approach to test the targeting of nickel-copper sulphide mineralisation across prospect areas within the Company's Caroline and Anerinna Hills Project Areas. No detailed geophysical surveys of this type have ever been carried out over the areas proposed and this innovation gives PepinNini a unique position given the large areas to be covered over which the company holds tenure.

PepinNini has an established field camp in the southeastern portion of Caroline EL5220 in preparation for on-ground follow-up of the geophysical survey. During the June Quarter of 2015 the Company completed preliminary regional vacuum regolith drilling across the Central Plains Prospect. The activities were undertaken to collate soil profile and

thickness information and soil geochemistry across the nickel copper sulphide target areas where validation of the R&D electromagnetic surveying interpretations will be required. Two hundred and fifty three vacuum holes for a total 3,004m were completed to examine the regolith development across the target prospect area. Encouraging analytical results from the soil/weathered bedrock interface have revealed two low-level nickel-copper-cobalt (+/- PGE) trends that are interpreted to represent potentially fertile underlying mafic bedrock.

Woodroffe Joint Venture Project (SA)

The Woodroffe Joint Venture Project includes one granted exploration licence EL5185 and four exploration licence applications (ELA211-214/2015) covering 1,379 km² 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 (RTE). The four exploration licence applications were re-configured and replaced two previous applications over the same area (ELA278/82 and ELA491/94). An extension to the original agreement, which expired 8 December 2015, has been executed to allow the joint venture partners to complete and execute an expanded joint venture of 70% NCL and 30% RTE. The proposed new joint venture will include the original Woodroffe Joint Venture Project tenements, an additional tenement from RTE and three tenements from PNN/NCL. The area of the expanded joint venture will cover approximately 8,000km².

The four exploration licence applications ELA211/15, ELA212/15, ELA213/15 and ELA214/15 are located within what are considered favourable geological locations prospective for nickel-copper-sulphide mineralisation. The Company is seeking to advance the access status of the application areas and believes the newly re-configured licence application areas are in keeping with a respect to areas which have cultural significance to the Traditional Owners the Anangu Pitjantjatjara Yankunytjatjara.(APY)

The focus of exploration activities will be to progress the granting of the exploration applications, which the joint venture partners believe have potential for discovery. A further focal point will be participation in the planned aerial electromagnetic survey in collaboration with CSIRO and the SA DSD scheduled for early 2016.

Spinifex Range Project (WA)

The Spinifex Range Project in the West Musgrave Province of Western Australia is being explored for nickel and copper sulphides and platinum group metals under an option to purchase agreement with Phosphate Australia Limited (ASX:POZ) which holds 100% of the tenements. The option agreement secures a two year period which commenced on 14 September 2014 for the Company to investigate and potentially acquire an 80% share of exploration licenses E69/2864 and E69/3191 covering an area totalling 785.7km². The tenements are strategically located within geological formations that have an endowment of Ni-Cu-PGE mineralisation, the most significant being Cassini Resources Ltd (ASX: CZI) Nebo-Babel (446Mt @ 0.33% Ni and 0.35% Cu) which is 14km to the south of tenement E69/3191.

The company has previously undertaken detailed airborne magnetic surveying and on ground moving loop electromagnetic surveying to identify and test a number of potentially favourable geological target areas. During the reporting period an extensive shallow soil sampling program involving the completion of six hundred and twenty two (622) vertical vacuum drill holes for a total 3,170m was completed. The sub-surface drill sampling was undertaken to examine geochemical distributions across a number of prospect areas where interpretation had suggested strong untested potential for nickel - copper sulphide or PGE mineralisation within the north west extension of the Jameson Intrusion.

Nickel - copper and PGE results were returned from the "PGE Recon Prospect" where 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. Variable results up to 140ppb Platinum(Pt), 151ppb Palladium(Pd), 107ppb Gold(Au), 0.11% Ni and 0.3% Cu indicate the limited potential of the interpreted geological setting of this feature.

The "Canaan East" prospect also returned 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. Trace sulphides were also observed in some vacuum samples across this target. These variable results from the closely spaced samples suggest that the bedrock sequence is likely to contain nickel - copper and PGE mineralisation albeit at a small scale. Further assessment of these results along with a re-evaluation of previous ground electromagnetic surveying (EM) undertaken by PepinNini, results of historic sampling, geophysics (EM and Induced Polarisation(IP)) and drilling by Western Mining Corporation(WMC) across the adjoining stratigraphy suggest the potential for significant massive or disseminated magmatic sulphide system in the prospect area is low.

During the assessment period the Company also sought to secure heritage, environmental and Program of Work approval to undertake a small drilling program to test the bedrock stratigraphy at the PGE Recon Prospect. An application for a drill funding grant under the Western Australian Department of Mines and Petroleum EIS drill co-funding scheme was unsuccessful and the Company have chosen to direct all focus on the Central Musgrave Project.

2. North Queensland Project

PepinNini undertook reconnaissance field activities across its properties in North Queensland to assess the potential of the tenement package. Observations suggest that the explorability and prospectivity of the Clarke River and Keppel Creek EPMs (EPM18020 and EPM18048) was poor and so these licences have now been surrendered. The Oasis

Project EPM18979 has been retained as the licence is known to contain shear hosted uraninite mineralisation with an average grade of 0.1% U₃O₈ as delineated by Esso Exploration and Production Australia Inc (1977-1979), Glengarry (2005/2006), and Mega Uranium (2007-2010). PepinNini plans to access historic drill samples for U₃O₈ leach extraction testing under an R&D project directed by the CSIRO. The Company believes there is potential in uranium as a strategic commodity and will continue to maintain the tenement and evaluate the existing data.

3. Robinson Range Iron Ore Project

The termination of the Robinson Range Iron Ore Joint Ventures, the process of transferring tenement holdings, authorising tenement surrenders and establishment of Iron Ore Royalty Agreements with the various interested parties continued during the reporting period and is now near conclusion. On Completion, PepinNini will hold gross iron ore royalties over five tenements with no further exploration or rehabilitation commitments over these tenements.

4. Argentina Salta Project

PepinNini has two granted minas (mining leases) and two applications for mina conversion covering approximately 68.63 km² in the Argentine province of Salta. The licences cover the Santa Innes Project on the eastern slopes of the Andes mountains.

Salta Province is recognised as one of the most mining friendly regions in Argentina, a jurisdiction where mining and exploration rights are well regulated. The geology is prospective for copper-gold porphyries, precious and base-metal epithermal systems and breccia-complexes associated with the Andean volcanic belt. Other companies are currently developing several significant copper-gold porphyry and epithermal silver deposits in the region.

The Company continues to review and assess the potential of the project portfolio and has chosen to surrender the tenure comprising the Chivinar Project. The focus is on discovery of high grade deposits amenable to exploitation and the company has continued to assess potential project generation opportunities across a number of provinces within Argentina.

In November 2015 Argentina held Presidential elections, as the incumbent President had reached the limit of her term in office. The newly elected President Mauricio Macri has assembled a highly experienced economic team focussed on promoting economic activity including mineral exploration and mining within Argentina. PepinNini's wholly owned subsidiary PepinNini SA is well placed to benefit from this change of government.

5. Project Generation

During the period, and after eighteen months of negotiation, the company finally agreed terms for a Farm-in Joint Venture Agreement with Oz Minerals Limited (ASX:OZL) to examine the Nickel and Platinum Group Metal Potential of mafic intrusions within the Mt Woods Inlier in South Australia.

In December, the agreement lapsed with the Directors deciding that the commercial terms required to pursue the project were not in the best interests of the company.

During the period, the Company assessed a number of project acquisition opportunities and the Directors continue to believe there is potential for acquisition of strategic prospects in both Australia and Argentina.

6. Share Purchase Plan

The Company undertook a Share Purchase Plan (SPP), which closed on 16 November 2015 and raised \$261,000 representing a 42% take up of the offer. 24,392,538 fully paid ordinary shares were issued under the SPP. The issue price was \$0.0107 per share.

7. Company Focus

The Company continues to seek to enhance shareholder value and explore in the most efficient and *smart* way possible, hence, the collaboration with CSIRO and SA DSD to ensure PepinNini obtains highest value and expertise from funds expended. The Company has focussed on reducing overheads and ensuring all tenure held has potential for discovery. To further ensure the maximum funds possible are directed towards exploration, all Directors and staff have taken salary reductions.

We explore remains PepinNini's mission and focus.

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.

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

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, appearing to read 'R Holland-Kennedy', written in a cursive style.

Rebecca Holland-Kennedy
Managing Director

3 March 2016



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**DECLARATION OF INDEPENDENCE
BY MICHAEL HAYDON
TO THE DIRECTORS OF PEPINNINI MINERALS LIMITED**

As lead auditor for the review of PepinNini Minerals Limited for the half-year ended 31 December 2015, 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 black ink, appearing to read 'M Haydon', followed by a long horizontal line extending to the right.

Michael Haydon
Director

BDO Audit (SA) Pty Ltd
Adelaide, 3 March 2016



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PepinNini Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2015 and its 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 PepinNini Minerals Limited, 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 PepinNini Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees).



Conclusion

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 PepinNini Minerals is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

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

BDO Audit (SA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Michael Haydon', with a long horizontal stroke extending to the right.

Michael Haydon
Director

Adelaide, 3 March 2016

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 Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2015 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 Company 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



Rebecca Holland-Kennedy
Managing Director
3 March 2016

Consolidated statement of comprehensive income for the half-year ended 31 December 2015

	Consolidated	Consolidated
	Half-year ended	Half-year ended
	31 Dec 2015	31 Dec 2014
	\$	\$
Continuing operations		
Revenue	36,435	188,389
Other Income	14,545	-
Total continuing operations	50,980	188,389
Expenses		
Depreciation expense	8,910	14,294
Salary and employment costs	160,820	172,967
Operating expenses	196,662	311,947
Professional fees	119,811	82,586
Impairment of exploration asset	-	1,307,314
Impairment of interest in Joint Venture	-	45,553
Legal fees	20,534	121,700
Other expenses	275	1,052
Total expenses	507,012	2,057,413
Loss before tax	(456,032)	(1,869,024)
Income tax benefit	-	-
Loss for the period from continuing operations	(456,032)	(1,869,024)
Loss for the period	(456,032)	(1,869,024)
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>	-	-
Total comprehensive loss for the half-year	(456,032)	(1,869,024)
Earnings per share for loss attributable to members of PepinNini Minerals Limited		
Basic (cents per share)	(0.23)	(1.28)
Diluted (cents per share)	(0.23)	(1.28)

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

Consolidated statement of financial position as at 31 December 2015

		Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Current assets			
Cash and cash equivalents		828,140	1,248,382
Trade and other receivables		1,756	400,655
Other assets		56,582	32,084
Total current assets		886,478	1,681,121
Non-current assets			
Exploration expenditure	6	14,082,191	13,494,607
Exploration bonds	6	12,995	12,995
Property, plant and equipment		59,235	113,640
Total non-current assets		14,154,421	13,621,243
Total assets		15,040,899	15,302,363
Current liabilities			
Trade and other payables		148,834	150,053
Provisions		195,588	234,033
Total current liabilities		344,422	384,086
Non-current liabilities			
Provisions		226	129
Total non-current liabilities		226	129
Total liabilities		344,648	384,215
Net assets		14,696,251	14,918,148
Equity			
Issued capital	3	21,944,067	21,708,465
Reserves		404,501	405,968
Retained earnings		(7,652,317)	(7,196,285)
Total equity attributable to equity holders of the parent		14,696,251	14,918,148

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

Consolidated statement of changes in equity for the half-year ended 31 December 2015

	Attributable to members of PepinNini Minerals Limited			
	Issued and paid up capital	Reserves (Equity settled employee benefits reserve)	Retained earnings	Total
	\$	\$	\$	\$
Consolidated				
Balance at 1 July 2015	21,708,465	405,968	(7,196,285)	14,918,148
Loss for the period	-	-	(456,032)	(456,032)
Other comprehensive Income	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2015	-	-	(456,032)	(456,032)
Issue of shares, net of transactions costs and tax (note 4)	-	-	-	-
Shares issued under SPP	235,585	-	-	235,585
Options converted to ordinary shares	17	-	-	17
Employee share options	-	(1,467)	-	(1,467)
Balance at 31 December 2015	21,944,067	404,501	(7,652,317)	14,696,251

Consolidated statement of changes in equity for the half-year ended 31 December 2014

	Attributable to members of PepinNini Minerals Limited			
	Issued and paid up capital	Reserves (Equity settled employee benefits reserve)	Retained earnings	Total
	\$	\$	\$	\$
Consolidated				
Balance at 1 July 2014	20,907,431	438,097	(1,151,520)	20,194,008
Loss for the period	-	-	(1,869,024)	(1,869,024)
Other comprehensive Income	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2014	-	-	(1,869,024)	(1,869,024)
Issue of shares, net of transactions costs and tax (note 4)	497,423	-	-	497,423
Employee share options	-	(33,754)	-	(33,754)
Balance at 31 December 2014	21,404,854	404,343	(3,020,544)	18,788,653

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

Consolidated cash flow statement for the half-year ended 31 December 2015

	Consolidated	
	Half-year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(569,540)	(1,008,060)
Receipts in the course of business	26,880	173,746
R&D tax refund	362,061	325,000
Net cash used in operating activities	(180,599)	(509,314)
Cash flows from investing activities		
Payment for exploration activities	(527,353)	(705,155)
Proceeds on disposal of property, plant and equipment	42,738	44,369
Proceeds on disposal of exploration asset	-	2,300,000
Interest received	9,367	14,716
Net cash provided/(used) in investing activities	(475,246)	1,653,930
Cash flows from financing activities		
Proceeds from issue of shares	261,017	500,000
Transaction costs for issue of shares	(25,414)	(2,577)
Repayment of directors loan	-	(200,000)
Net cash provided by financing activities	235,603	297,423
Net decrease/ increase in cash and cash equivalents	(420,242)	1,442,039
Cash and cash equivalents at the beginning of the period	1,248,382	674,372
Cash and cash equivalents at the end of the period	828,140	2,116,411

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

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 *Corporations Act 2001*.

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.

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

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

During the half-year reporting period, PepinNini Minerals Limited issued 24,392,538 shares from shareholder participation in an SPP. PepinNini raised \$235,585, net of capital raising costs of \$25,414.

PepinNini Minerals Limited did not issue any shares on the exercise of share options issued under its executive share option plan (2014 – no share options exercised). As a result of this there was no transfer from the equity-settled employee benefits reserve to issued capital.

PepinNini Minerals Limited did not purchase or cancel any ordinary shares during the period (2014 – 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 year ended 31 December 2015 and 2014. The weighted average number of options that were not included in the calculation was 2,073,626. (2014 - The weighted average number of options that were not included in the calculation was 33,317,196).

4. Investments in subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		December 2015	June 2015
		%	%
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. Interests In Joint Arrangements

PepinNini has an interest in the following joint arrangements:

Name of venture	Resident	Principal activity	Output interest	
			December 2015	June 2015
			%	%
Robinson Range Iron Ore JV03 Joint Venture	Australia	Management and operation of development of iron ore in three tenements in the Robinson Range region	50%	50%
Robinson Range Jackson JV04 Joint Venture	Australia	Management and operation of development of iron ore in four tenements in the Robinson Range region	0%	40%

PepinNini Minerals Limited has assessed the classification of the joint arrangements under AASB 11 *Joint Arrangements* (effective 1 January 2013). Based on the contractual terms of the agreements, all joint arrangements that PepinNini Minerals Limited has interests in are classified as Joint Operations.

PepinNini Minerals Limited announced the transfer of interest in the WA iron ore joint venture tenements in return for a 1% Gross Iron Ore Royalty on 14 September 2015. PepinNini Robinson Range Pty Ltd will no longer be a participant in the iron ore joint ventures. Jackson JV termination (JV04) settled on 18 December 2015 and Robinson Range (JV03) termination is currently pending.

6. Exploration Expenditure

During the half year ended 31 December 2015 exploration expenditure of \$549,655 was capitalised (\$811,243 in the six months ended June 2015)

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 2015.

8. Subsequent Events

Subsequent to 31 December 2015 PepinNini announced on 8th February 2016 withdrawal from the Spinifex Range purchase option agreement with Phosphate Australia Ltd.

No other matters or circumstances have arisen since 31 December 2015 that has 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.