



ARGENTINA



AUSTRALIA



ABOUT

PepinNini Lithium Limited is a diversified ASX listed Exploration Company focused on exploring and developing a lithium brine resource and production project in Salta Province Argentina within the Lithium Triangle of South America. The Company also holds strategically located exploration tenements in the Musgrave Province and Gawler Craton of South Australia. The company also holds a copper-gold exploration project in Salta Province, Argentina.

DIRECTORS

Rebecca Holland-Kennedy
Managing Director
Sarah Clifton-Brown
Finance Director
Philip Clifford
Non-Executive Director
Robert WeiSun
Non-Executive Director
Justin Nelson
Company Secretary

CONTACT

PepinNini Lithium Limited
ABN 55 101 714 989

Level 1, 6/68 North Terrace
Kent Town SA 5067
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

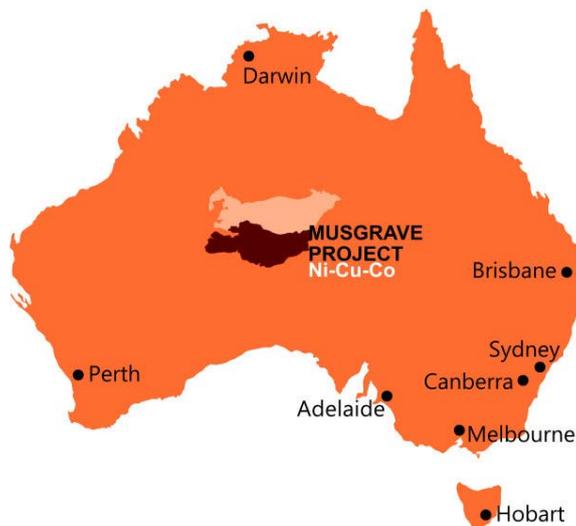
DECEMBER 2017 QUARTER ACTIVITIES AND CASH FLOW REPORTS

- **Salta Lithium Project** - Drilling of two boreholes completed on Rincon Salar
- Up to three aquifers up to 100m thickness intersected with high porosity and initial Lithium grades up to 313 milligrams per litre
- Logistics and road works completed for drilling on Salar de Pular, drilling underway.
- **Musgrave Project** - Rio Tinto and NiCul Farm-In and Joint Venture Agreement – Amended and restated - Nickel, Copper and Cobalt targets
- **Corporate** -
 - Company Name change to PepinNini Lithium Limited reflecting the focus on the Argentine Lithium Brine Project
 - Australian Musgrave Project under NiCul Minerals Ltd
 - Technical Director Phil Clifford stepped back to a non-executive director position
 - Post reporting date private placement completed to raise \$1.508m



Drilling Salar de Pular, Salta, Argentina

AUSTRALIA



ARGENTINA



Salta Province Projects

PepinNini Lithium Ltd's (PNN or the Company) wholly owned Argentine entity PepinNini SA(PNN SA) holds seventeen mining licences (*mina*) totalling 42,312 hectares in the western part of the Salta Province of NW Argentina including recently acquired, by application over vacant ground, Moncho, which is located on Salar de Pular. The properties are considered prospective for lithium brine aquifers associated with *Salares* (Salt lakes).

Table 1: PepinNini SA Lithium Project Mining Leases (Mina)

Salar	Mina	Area (hectares)*	Work to date and planned
Salar de Pular	Sulfa 1	657	Reconnaissance sampling completed, Geophysics (VES) completed, roadworks completed, Drilling underway
Salinas Grandes	Luxemburgo	2,495	Planned Geophysics (VES)
Salinas Grandes	Salinita Norte II	2,994	Geophysics (VES) in review
Salinas Grandes	Lidia I	3,228	Geophysics (VES) in review
Salinas Grandes	Lidia II	2,719	Geophysics (VES) in review
Salinas Grandes	Lidia III	3,500	Geophysics (VES) in review
Salinas Grandes	Lidia V	3,022	Planned Geophysics (VES)
Salar de Arizaro	Ariza Sur 1	3,004	Geophysics (VES), planned Drilling
Salar del Rincon	Villanovena 1	1,586	Geophysics(VES) completed, Drilling completed
Salar Pocitos	Tabapocitos 02	2,970	Geophysics(VES) completed, Drilling completed
Salar Pocitos	Pocitos II	3,000	Geophysics(VES) completed, Drilling completed
Salar de Cauchari	Guayos II	1,610	Geophysics(VES) completed Drilling to be evaluated
Salar de Cauchari	Guayos III	1,906	Geophysics(VES) completed Drilling to be evaluated
Salinas Grandes	Salinita VII	2,990	Planned Geophysics (VES)
Centenario	La Filomena	1,503	Geophysics (VES) completed - to be divested
Salar de Arizaro/Incahuasi	La Maderita	3,000	Planned Geophysics (VES)
Salar de Pular	Moncho	2,128	Reconnaissance planned
Total		42,312	
* 100hectares = 1sqkm			

The projects being developed all occur within the recognised "Lithium Triangle" which covers parts of Argentina, Chile and Bolivia.

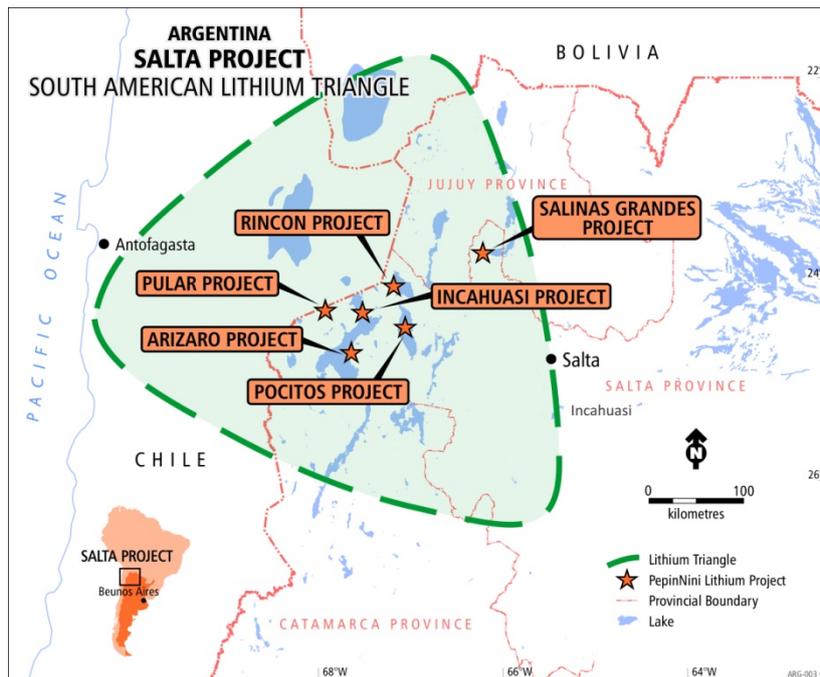


Figure 1 - The Lithium Triangle of South America

The lithium brine minas are situated within six different salar(dried salt lake) environments in the high Puna region of over 3,500masl in the Andes Mountains, Salta Province, north west Argentina.

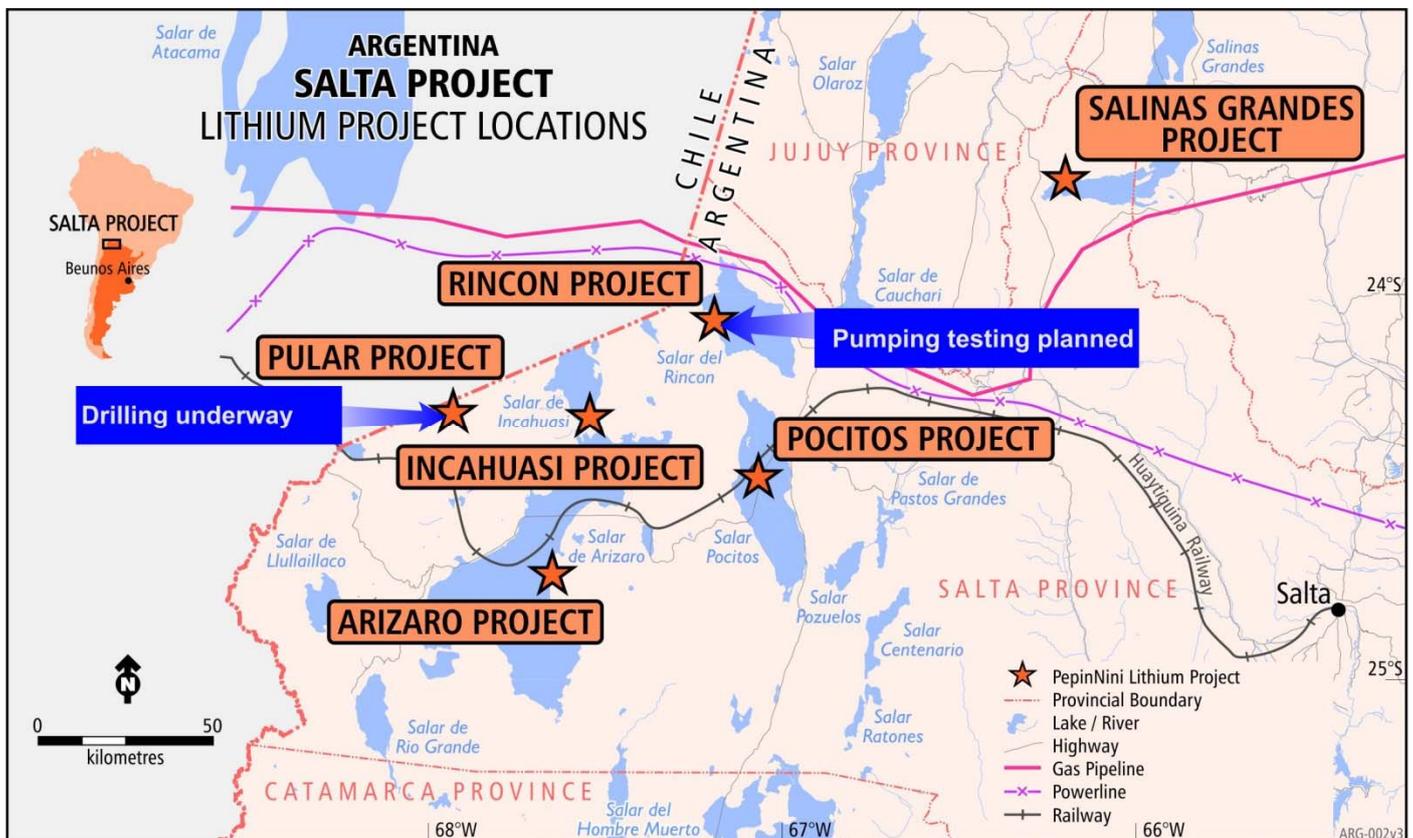


Figure 2 - Lithium Projects - Salta Province, Argentina.

During the quarter drilling permits were granted for Rincon Salar and two boreholes were drilled, PNN-VI-DW-01 and PNN-VI-DW-02.

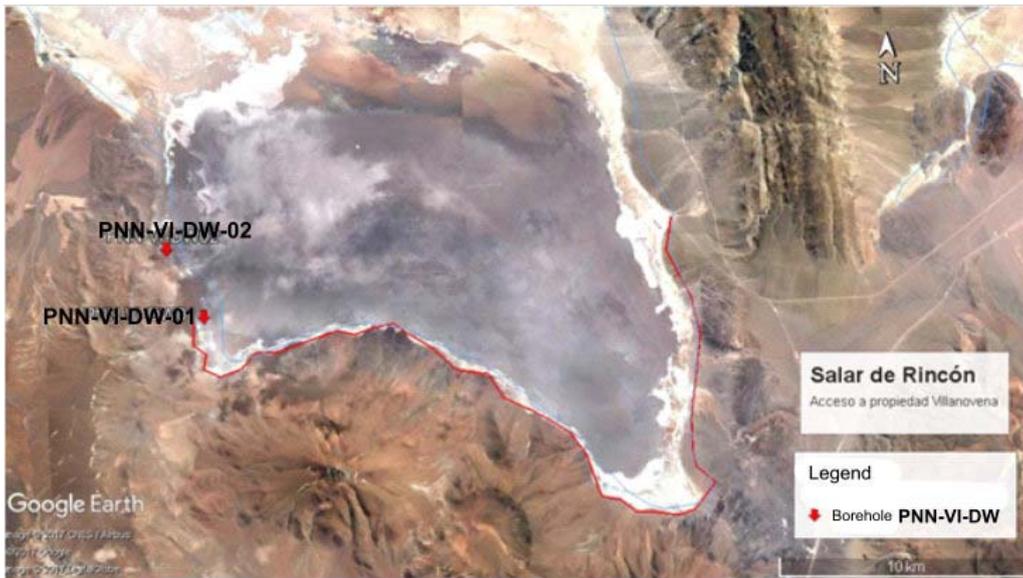


Figure 3 Borehole Locations Rincon Salar Project



Photos 1 - Drilling Borehole PNN-VI-DW-01





Photos 2 - Drilling Borehole PNN-VI-DW-02

Borehole PNN-VI-DW-01 was drilled to 80 metres and intersected two aquifers, one in the near-surface of fractured halite, and a lower black sand-hosted aquifer. The borehole intersected three distinct rock type sequences. From 1m to 24.8m drilling intersected caliche(calcrete), sand, silt, clay and porous halite(rock salt) and from 26m to 69.5m black sands were intersected and intersected from 69.5 to the base of the borehole at 80m were fractured basement rocks(basalt) from which brine was also sampled.

Borehole PNN-VI-DW-02 was drilled to 130m and intersected two primary aquifers in two distinct rock type sequences. The shallowest is the near-surface fractured halite and a lower black sand-hosted aquifer which was open at depth as the hole terminated in this lithology. From 1m to 23.5m drilling intersected mixed sand and halite(rock salt) with high secondary porosity. Below that separated by 5 meters of clay sediments is a uniform, poorly consolidated, highly porous black sand unit from 31m to the base of the hole at 130m.



Photos 3 - Rock types intersected PNN-VI-DW-02

Because of the favourable lithologies intersected and the high porosity recorded both boreholes were converted to monitoring wells for future sampling and brine level monitoring. The Company is planning to drill a pumping test well to assess the hydraulic properties of the aquifer and flow rate capacity of the well.



Photos 4 - Packer sampling

Samples were collected using a double packer to ensure samples are representative of the interval being tested. Thirty samples were sent to a certified laboratory in Buenos Aires using ICP methodology of which twenty one were brine samples from the boreholes and nine were control samples. The maximum lithium grade over both boreholes was 313 milligram/litre (mg/l) and average for the second borehole was 284mg/l and 262mg/l for both wells. For comparison refer Enirgi Group which hold the majority of Rincon Salar - Press Release 17 April 2017, Toronto, Canada, available at www.pepinnini.com.au/reports/.



Photos 5 - Brine Samples PNN-VI-DW-01 and PNN-VI-DW-02

Permits for roadway work for the Pular Project were received and the roadwork completed to allow camp preparation before year end. Drilling commenced on the Pular Project on 19 January.



Photos 6 - Drilling Borehole PNN-SU-DW-01.

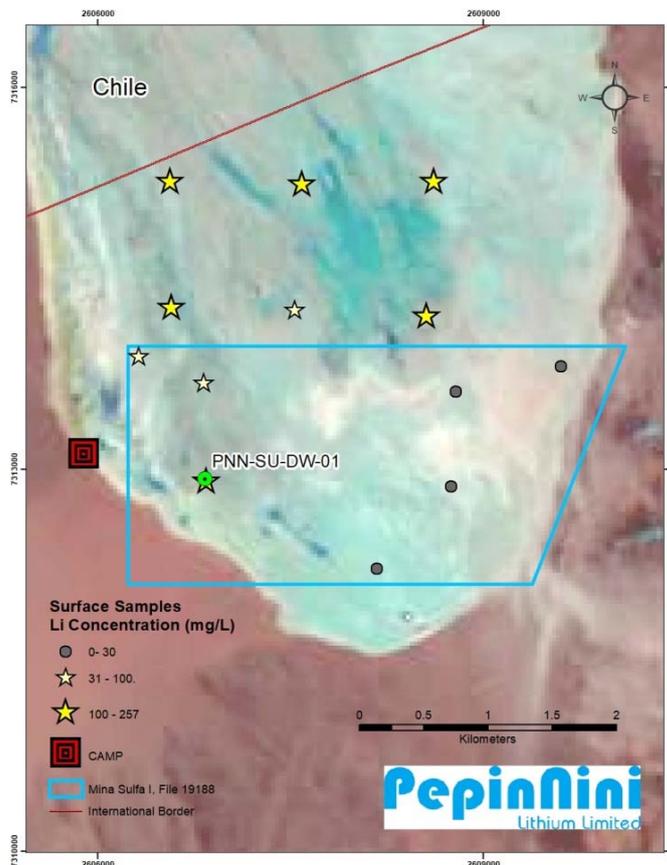


Figure 4 - Pular Salar Borehole Location and Surface Samples(ASX:16-12-16)

Tabulated below are exploration activities achieved to reporting date and planned together with milestones targeted for the next nine months. Actual activities will be dependent on the results of preceding activities.

Quarter/Project	Pocitos	Pular	Arizaro	Rincon	Company
September 2017	Sample results Indicate low grade - no pumping testing	Additional drilling roadway permits lodged and granted	Application Mina La Maderita granted	VES geophysics completed Drilling permits lodged	
December 2017		Roadway and Camp preparation		Drilling	
March 2018		Drilling and Sample results - if results suitable - Pumping tests	VES geophysics	Pumping tests – sample results	
June 2018			Drilling if VES survey suitable		Maiden Lithium Carbonate Resource
September 2018					Scoping study for brine production on resource base

PepinNini SA also hold 4 mining leases over 6,840ha which are prospective for Copper and Gold and grouped as the Santa Ines Project. Tenure held for the Chivinar Project of 13,060ha (130.6km²) was surrendered during the quarter as the company continues to focus on the Lithium Brine Project and divests non-core assets. No field exploration activities were carried out during the quarter on these projects.

The section on the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina of PepinNini Lithium 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.

Musgrave Province Projects

PNN's 100% Musgrave Project includes 8 exploration licence applications and 2 granted exploration licences in the name of NiCul Minerals Ltd (NCL) a wholly owned subsidiary of the company. The tenure covers approximately 14,004 km² of the Musgrave Province within South Australia. (See Figure 5). The exploration targets are Copper-Nickel and Cobalt.

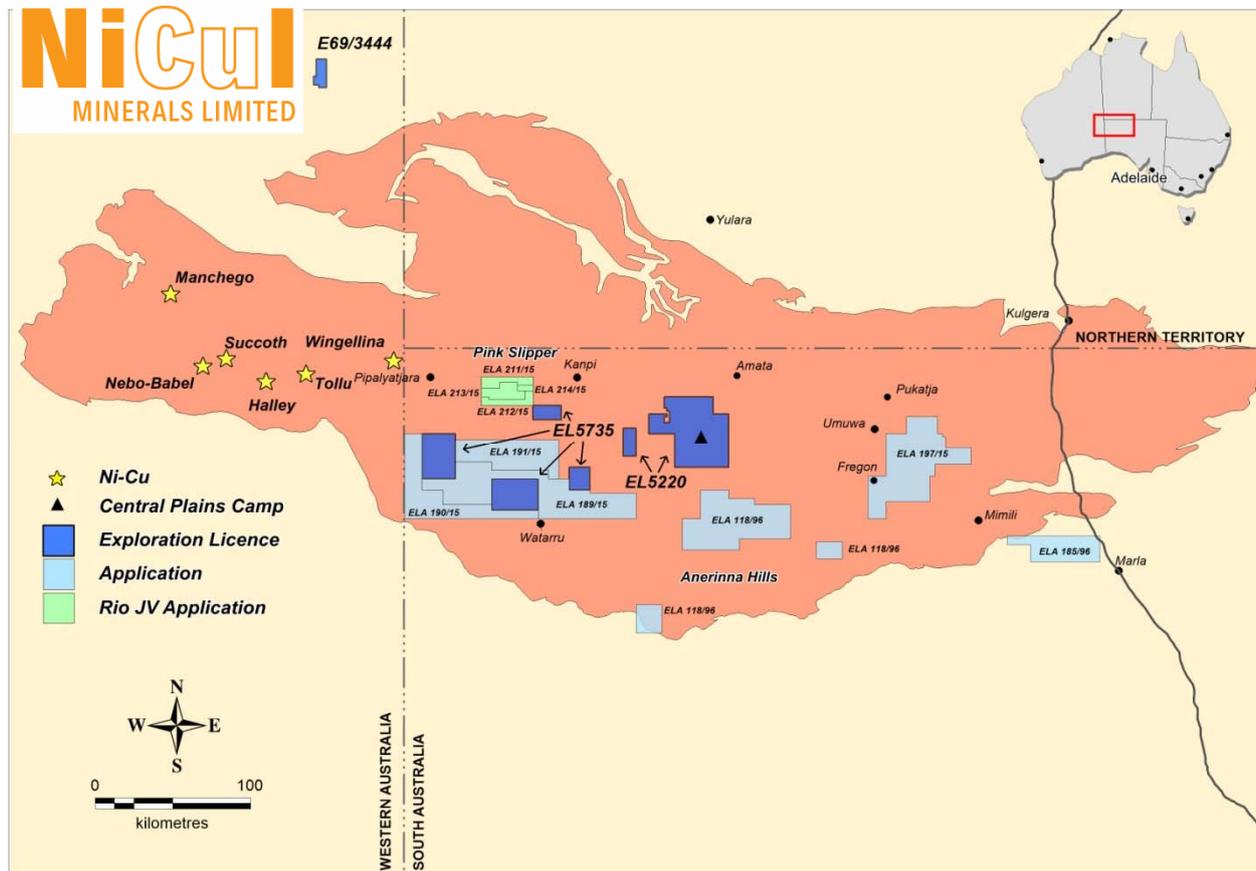


Figure 5: NiCul's Musgrave Project locations, South Australia

Rio Tinto Joint Venture (South Australia)

The Farm-in and Joint Venture Agreement between Rio Tinto Exploration Pty Ltd (Rio Tinto) and NiCul (NCL) has been amended and restated (November 2017) and SA government Ministerial Consent has been granted 17 January 2018 for the agreement to be registered in the state Mining Register against all tenements.

The restated Farm-In and Joint venture Agreement is in relation to the right of NCL to farm-in to ELAs:

1. Exploration Licence Application 2015/00211
2. Exploration Licence Application 2015/00212
3. Exploration Licence Application 2015/00213
4. Exploration Licence Application 2015/00214 – Pink Slipper target

In addition the restated agreement now includes the grant by NCL to Rio Tinto of the option of first right of refusal to purchase any or all of the following NCL tenements (option is for a two year period):

1. Exploration Licence EL5220 – subsequent Licence ELA 2017/00217 - Mt Caroline
2. Exploration Licence EL5735 - Mt Harcus
3. Exploration Licence Application 1996/00118 - Anerinna Hills

Under the agreement NCL is to expend \$1.4m to earn 51% in the ELAs over 2.5 years and form a Joint Venture with Rio Tinto. The Agreement will continue to focus on the granting of tenure with the exploration of targets considered highly prospective for magmatic nickel-copper-cobalt-PGE sulphide mineralisation.

South Australia - Gawler Ranges (Eyre Peninsula)

Toondulya Bluff Gold Project

The Toondulya Bluff (EL5897) exploration licence is located approximately 100km north east of Streaky Bay, on the Eyre Peninsula, South Australia (Figure 6). It lies within the Proterozoic gold province of the central Gawler Craton along the margin of the Gawler Range Volcanics (GRV) where Hiltaba Suite granitoids intrude older basement rocks. The province contains several gold and silver deposits including Tarcoola, Glenloth, Tunkillia, Paris and Barns. The tenure covers the southern extension of the highly prospective Yalbrinda Shear Zone which to the north is known to host a number of mineral occurrences including the Tunkillia Deposit reported to contain a resource estimate of 558,000 ounces of gold and 1.48 million ounces of silver (ASX:WPG 28/10/16).

Historic gold exploration over the EL5897 tenement area has included dispersed calcrete sampling, shallow aircore drilling, airborne magnetic surveying, and gravity surveying. PepinNini has reviewed this data and has identified three poorly tested gold-in-calcrete zones from this data for further investigation

No field work was undertaken during the quarter.

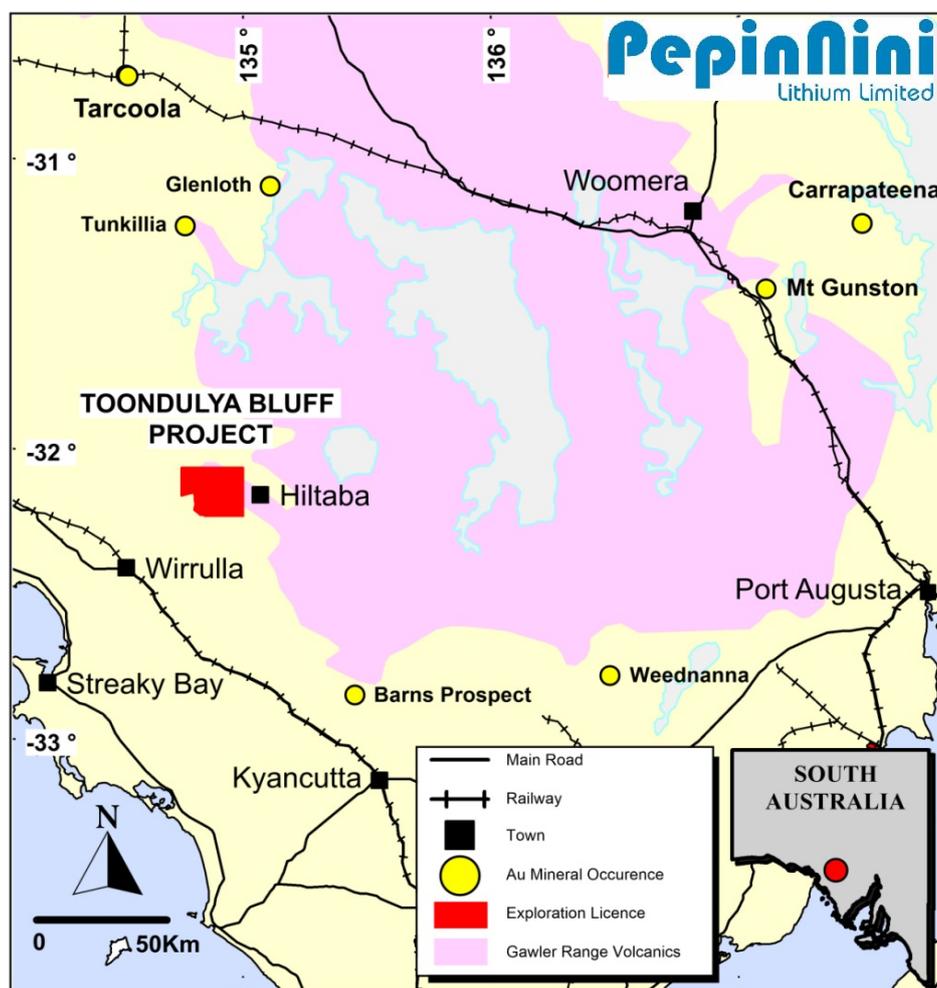


Figure 6: Location of Toondulya Bluff Gold Project South Australia.

Western Australia - Western Amadeus Basin

Mozart Diamond/Basemetal Project

This exploration licence was surrendered during the quarter to divest non-core assets and maintain the focus on the Lithium Brine Project in Argentina.

TENEMENT SCHEDULES

Australia

Tenement	Tenement Name	Area Km ²	JV	PepinNini Interest	Grant Date
South Australia					
EL5897	Toondulya Bluff	390		100%	25/11/16
EL 5735	Mt Harcus	1,607		100%	25/10/10
EL 5220(Subsequent ELA217/2017)	Mt Caroline	1,918		100%	25/2/13
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
ELA 211/15 - formerly EX491	Tjintalka	184	JV02	earning 51%	application
ELA 212/15 - formerly EX491	Kapura	160	JV02	earning 51%	application
ELA 213/15 - formerly EX278	Jalukana	234	JV02	earning 51%	application
ELA 214/15 - formerly EX278	Tjalukana	37	JV02	earning 51%	application
Totals		15,008			

Argentina

	Tenement	Type	Project	Application	Granted	Applied Area Ha	Title Holder
Cu-Au	Mina Santa Ines	Mina	Santa Ines	27-Sep-10	20-Sep-11	18	PNN SA 100%
Cu-Au	Santa Ines VIII	Mina	Santa Ines	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
Cu-Au	Santa Ines XII	Mina	Santa Ines	11-Oct-14	30-Nov-15	511	PNN SA 100%
Cu-Au	Santa Ines XIII	Mina	Santa Ines	11-Oct-14	9-Sep-15	3,311	PNN SA 100%
						6,840	
Li Brine	Sulfa 1	Mina	Salar de Pular	2-Jun-16	22-Feb-17	657	PNN SA 100%
Li Brine	Luxemburgo	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,495	PNN SA 100%
Li Brine	Salinita Norte II	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,994	PNN SA 100%
Li Brine	Lidia I	Mina	Salinas Grandes	9-Aug-16	9-Sept-16	3,228	PNN SA 100%
Li Brine	Lidia II	Mina	Salinas Grandes	9-Aug-16	9-Sept-16	2,719	PNN SA 100%
Li Brine	Lidia III	Mina	Salinas Grandes	10-Aug-16	9-Sept-16	3,500	PNN SA 100%
Li Brine	Lidia V	Mina	Salinas Grandes	17 Jan 17	Not yet	3,022	PNN SA 100%
Li Brine	Ariza sur 1	Mina	Salar de Arizaro	2-Jun-16	22-Jun-16	3,004	PNN SA 100%
Li Brine	Villanovena 1	Mina	Salina del Rincon	2-Jun-16	22-Jun-16	1,586	PNN SA 100%
Li Brine	Tabapocitos 02	Mina	Salar Pocitos	2-Jun-16	22-Jun-16	2,970	PNN SA 100%
Li Brine	Pocitos 11	Mina	Salar Pocitos	17-Aug-16	19-Sept-16	3,000	PNN SA 100%
Li Brine	Guayos II	Mina	Salar de Cauchari	17-Aug-16	19-Sept-16	1,610	PNN SA 100%
Li Brine	Guayos III	Mina	Salar de Cauchari	16-Dec-16	Not yet	1,906	PNN SA 100%
Li Brine	Salinita VII	Mina	Salinas Grandes	9-Mar-17	Not yet	2,990	PNN SA 100%
Li Brine	La Filomena	Mina	Centenario Salar	4-Apr-17	22-May-17	1,503	PNN SA 100%
Li Brine	La Maderita	Mina	Salar de Arizaro/Salar de Incahuasi	4-Aug-17	17-Oct-14	3,000	PNN SA 100%
Li Brine	Moncho	Mina	Salar de Pular	5-Dec-17	Not yet	2,128	PNN SA 100%
						42,312	
	Total 21					49,152	

The section on the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina of PepinNini Lithium 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 information in this report that relates to Exploration Results and Mineral Resources for the Australian projects is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is a Non-Executive 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 Lithium Limited
Phone: (08) 8218 5000

Note: Additional information on PNN is available at 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, 01/05/13, 01/09/16

Name of entity

PepinNini Lithium Limited	
ABN	Quarter ended ("current quarter")
55 101 714 989	December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(367)	(1,757)
(b) development		
(c) production		
(d) staff costs	(75)	(137)
(e) administration and corporate costs	(175)	(224)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	21
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	197	197
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(413)	(1,900)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,521	3,008
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(413)	(1,900)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	
4.4 Net cash from / (used in) financing activities (item 3.10 above)		
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	1,108	1,108

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	608	662
5.2 Call deposits	500	859
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,108	1,521

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	90
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

1. Chairman, Managing, Finance, Technical and Non-Executive Directors' Remuneration \$81,914.58
2. Chairman, Managing, Finance, Technical and Non-Executive Directors' Superannuation \$7,781.91

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	575
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	125
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	700

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E69/3444 WA Argentina Mina 21680 Mina 21681 Mina 21682 Mina 22086	Exploration Licence - WA Mining Leases Argentina	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Mina 23491	Mining Lease Application	0	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: ...30 Jan 2018..
(Director/Company secretary)

Print name:Justin Nelson.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.