



**Pepinini**  
Minerals limited

**ANNUAL  
REPORT  
2020**





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# Chairman's Report

Dear Shareholder,

On behalf of the Board, it gives me great pleasure to present the PepinNini Minerals Limited Annual Report for the 2020 financial year.

Despite the challenges presented by the onset of COVID-19 in 2020, the Company maintained its focus on its core projects – the Musgrave Nickel-Copper-Cobalt Sulphide Project in South Australia and the Salta Lithium Project in Argentina – and was able to achieve notable progress at both projects.

Consistent with its commitment to its entire project portfolio, PepinNini took the decision to formally change the Company name from its previous name, PepinNini Lithium Limited, to PepinNini Minerals Limited. The change of name better reflects the diversified, multi-commodity focus of the Company's projects.

The Musgrave Project is located on Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the Musgrave geological province in the far north west of South Australia. PepinNini is focused on discovering significant nickel-copper sulphide deposits at the Project and has generated a number of priority targets. These include the Mt Caroline and Ironwood Bore Projects, as well as the Pink Slipper Farm-in Joint Venture Project with Rio Tinto Exploration Pty Ltd (RTX), which is the primary exploration target.

During the year, PepinNini continued to work with the APY people to secure the grant of an Exploration Deed to facilitate exploration at the Pink Slipper target. Considering delays related to COVID-19, the Company agreed with RTX to extend the Farm-in Joint Venture agreement until 31 December 2021 to allow appropriate time for drill testing.

At the Salta Lithium Project, the Company undertook a review of recent beneficiation studies, which delivered an exceptionally high-grade lithium concentrate of 3.05% lithium with very low contaminants.

This high-grade result was achieved by successfully blending brines from different deposits at the Salta Project, which delivered a potentially project-making outcome. The testing confirmed the potential for the deposits to be combined into a large-scale high-grade lithium brine project. The next step in the evaluation process will be to conduct laboratory bench test-scale studies to validate the high-grade initial beneficiation study results.

In addition to its current projects, the Company is focused on pursuing new project opportunities to complement and further diversify its existing asset portfolio. PepinNini will only consider projects that deliver clear shareholder value and accordingly conduct appropriate due diligence on each opportunity. The Company has evaluated a number of projects and continues to assess new opportunities and will advise the market on any material outcomes.

During the year, the Company completed capital raisings totalling \$530,000 to fund its ongoing exploration activities. I would like to thank shareholders for your support and participation.

Despite restrictions imposed by COVID-19, the Company continued to maintain community involvement at all project areas, where it continued to conduct its activities and interact with local communities in a responsible and respectful manner.

On behalf of the Board of Directors, I would like to thank management, PepinNini staff and contractors for their ongoing support, dedication and contribution. I also extend our appreciation to all shareholders for your ongoing support, and look forward to sharing news of our continued progress in the year ahead.



Rebecca Holland-Kennedy  
Chairman and Managing Director  
**PepinNini Minerals Limited**





# 2020 HIGHLIGHTS

## MUSGRAVE NI-CU-CO PROJECT, SOUTH AUSTRALIA

- Progress towards execution of an Exploration Deed with traditional owners, the Anangu Pitjantjatjara Yankunytjatjara (APY) for Exploration Licence Application (ELA) 2015/214, which hosts the priority Pink Slipper Ni-Cu sulphide target.
- APY Executive Board has invited PepinNini to participate in consultation with the traditional owners to secure agreement on the Exploration Deed for ELA 2015/214.
- Farm-in Joint Venture with Rio Tinto for the Pink Slipper Ni-Cu Project extended to 31 December 2021 to allow additional time to drill test the Pink Slipper geophysical target.
- Review of exploration targets reaffirms the Mt Caroline Project and the Ironwood Bore Project as priority Nickel-Copper-Cobalt exploration targets.

## SALTA LITHIUM BRINE PROJECT, ARGENTINA

- Brine sampling from 15 surface trenches on the Incahuasi Salar Project indicate that brine is very near-surface with grades of up to 203mg/l lithium.
- Phase-one beneficiation studies of blended lithium brine from the Rincon and Incahuasi Deposits has previously produced an exceptionally high-grade lithium concentrate of 3.05% (30,500 parts per million (ppm)) lithium with very low magnesium (1.6:1 Mg:Li).
- A laboratory scale, bench test study program has been designed, which is the next step in the evaluation process to validate the high-grade beneficiation study results achieved during the year. The program is planned for next financial year and would take approx. 3 months to complete.
- 400 litres of brine from the Incahuasi Deposit has already been prepared, while samples from the Rincon Deposit still need to be taken for blending brines from these deposits for the bench test study.

## CORPORATE

- The Company name was formally changed to PepinNini Minerals Limited to reflect the diversified nature of its multi-commodity project portfolio.
- Board restructure undertaken - Andre Wessels and Luis Kennedy appointed to the PepinNini Board as Non-executive Directors.
- Equity capital raisings totalling \$530,000 completed to fund exploration activities and provide working capital for the Company.

# REVIEW OF OPERATIONS

## AUSTRALIA



## ARGENTINA



PepinNini has a Nickel-Copper-Cobalt Project in Australia, a Lithium Brine Project in Argentina and a Copper-Gold Project in Argentina.

### OVERVIEW

During the 2020 Financial year the Company has re-focused on its Australian projects. No exploration activity has been undertaken on the Musgrave Project during the year due to COVID-19 however efforts to negotiate with Anangu Pitjantjatjara Yankunytjatjara (APY) to advance land access to the Musgrave Projects have been maintained. The project is held by the entity NiCul Minerals Ltd (NiCul), which is 100% owned by parent company PepinNini Minerals Ltd. Negotiations have involved continued dialogue and discussion with the Anangu Pitjantjatjara Yankunytjatjara to progress exploration licence applications requiring exploration deeds with the traditional owners before an exploration licence can be granted by the South Australian Government and to progress exploration activities involving heritage clearance surveys. The exploration proposals by the Company involve ground based geophysics, surface and sub surface geochemistry sampling, geological interpretation and mapping, and basement target drill testing.

The Musgrave Province is a large Proterozoic crustal block in the far north-west corner of South Australia and extending across into the Northern Territory and Western Australia (Figure 1). The province remains the most unexplored region in Australia and hosts a variety of prospective geological environments for mineral exploration. Similar age rocks in Australia are known to host significant mineral systems which contain a number of large mineral deposits including:

- Olympic Dam (Cu, Au, U)
- Broken Hill (Pb, Zn, Ag)
- Mt Isa (Cu, Pb, Zn, Ag)
- Hilton (Pb, Zn, Ag)
- Cannington (Pb, Zn, Ag)
- Century (Zn, Pb, Ag)
- Telfer (Au)
- Alligator River Field (U, Au, PGE)
- Hamersley Basin (Fe)
- Nova-Bollinger (Ni-Cu)
- Nebo Babel (Ni-Cu-PGE)
- McArthur River/HYC (Pb, Zn, Ag)



NiCul is primarily targeting the Province for substantial magmatic Ni-Cu-Co sulphide deposits similar to Voisey’s Bay (Canada) (Figure 2), Nova-Bollinger or Nebo-Babel (Western Australia) and platinum group element (PGE) sulphide deposits (Platreef, Merensky and UG-2 Reef) of the Bushveld Complex in South Africa(Figure 2). The multi commodity exploration strategy also recognises that the Birksgate Complex metasediments which form the bulk of the Musgrave crustal block are equally prospective for Broken Hill style base metal (Pb-Zn-Ag) deposits and Mt Isa/Century style (SEDEX) base metal deposits.

- Musgrave Project (100% PepinNini);
- **PRIORITY** - Musgrave Farm-In Joint Venture Project with Rio Tinto Exploration Pty Ltd (NiCul earning 51%).

NiCul has demonstrated in past years that it can conduct efficient and cost effective exploration using the Company owned and operated drilling equipment and field camp.



PepinNini Diamond Core Drilling Rig



PepinNini Field Camp and helicopter for SkyTEM516 system

## MUSGRAVE PROJECT

The Musgrave Project consist of two granted exploration licences EL6148 Mt Caroline and ELA 2020/107(subsequent ELA) Mt Marcus (formerly EL 5735) and eight exploration licence applications ELA 118/96, ELA 185/96, ELA 367/09, ELA 368/09, ELA 189/15, ELA 190/15, ELA 191/15 and ELA 197/15 which cover 14,003km<sup>2</sup>. The licences are all held by NiCul Minerals Ltd(NiCul) (PepinNini subsidiary - 100%).

NiCul has a number of exploration programs across the South Australian portion of the Musgrave Province where it is primarily focused on discovering nickel-copper sulphides contained within the layered mafic-ultramafic Giles Complex rocks (Figure 1). The Giles Complex is considered to be highly prospective for Ni-Cu-Co sulphides and PGE mineralisation following the discovery of the Nebo-Babel deposit in Western Australia by WMC in 2000 which is now held by Cassini Resources Ltd (ASX:CZI) in Joint Venture with Oz Minerals Ltd (ASX:OZL). In April 2019 Oz Minerals released an updated mineral resource estimate for the Nebo-Babel deposit of 238Mt @ 0.35%Ni, 0.3%Cu (+minor Au,Co,Pd&Pt).

Several priority nickel-copper sulphide targets are contained within the Company's project areas which are associated with encouraging structural settings of the basement architecture are identified from modelling of regional magnetic, gravity and electromagnetic data. These targets are interpreted to represent mafic feeder dyke systems analogous to the geological setting of the Nebo-Babel deposits in the west Musgrave(Figure 2). These targets have been identified for further investigated using ground electromagnetic surveys, vacuum regolith geochemical drilling and mapping, and diamond core bedrock drill testing.

In late 2016 a collaborative regional Airborne Electromagnetic (AEM) survey was flown across 31,000km<sup>2</sup> (approximately 16,000 line km) of the central and eastern Musgrave Province (Figure 3). In a Research and Development (R&D) collaboration with the Commonwealth Science and Industry Research Organisation (CSIRO), the Company acquired geophysical data and undertook technical interpretations covering Caroline EL 6148, the Mt Tietkins portion of EL 5765, Annerinna Hills ELA 118/96, Katalina ELA 2015/189 and Ironwood Bore ELA 2015/197 target areas. The project was expanded to include co-funding with the South Australian Department of Premier and Cabinet (DPC), the Goyder Institute for Water Research (GI) and Geoscience Australia (GA). During 2017-2018 ground access delays were precipitated by APYs desire to allow the search for water resources by the Goyder Institute to take preference over mineral exploration activities.

The regional fixed wing aeroplane and helicopter mounted AEM surveys covered a combined total of 31,000 km<sup>2</sup> which included approximately 50% of the company's tenure. NiCul undertook infill AEM surveys across a number of areas of that it identified from the regional data.

Fourteen target areas were covered with additional AEM data acquisition with three 'exciting' priority targets being identified; Fowler (EL 6148), Wintinginna Shear Zone (ELA 2015/00197), and Ironwood Bore (ELA 2015/00197). These localities have the potential for structurally controlled mineralization associated with mafic magmatism channelled laterally into the Wintinginna Shear Zone.

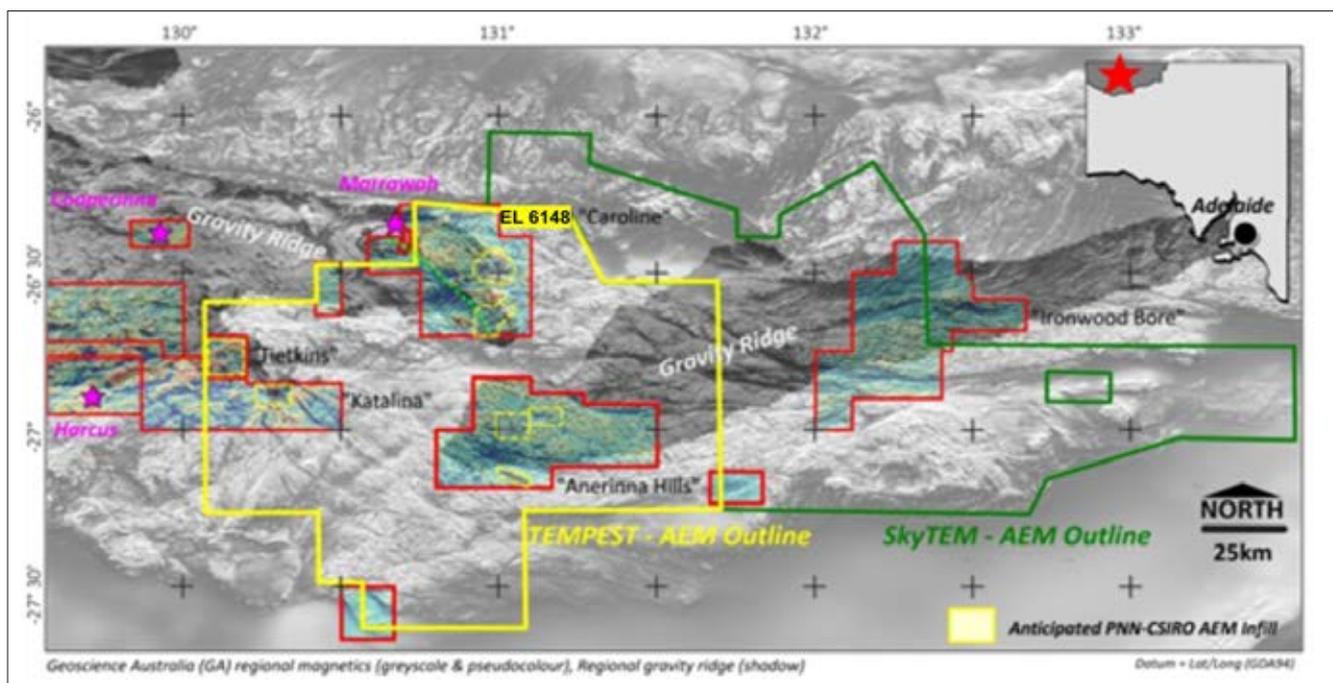


Figure 3 – Areas covered by regional AEM survey 2016-2017

### MT CAROLINE CENTRAL MUSGRAVE PROJECT

The Mt Caroline tenement area (Granted Exploration Licence - EL 6148, formerly EL 5220)(Figure 1), covers a total area of 1,918km<sup>2</sup> in the central Musgrave district. EL 6148 covers the central and southern parts of the large (approximately 20km<sup>2</sup>) Mt Caroline layered mafic-ultramafic intrusion, known as the Giles Complex Formation, and its potential feeder structures. The central, southern and eastern portions of the Mt Caroline licence area (EL 6148 formerly EL 5220) include the Southern Dunes Fields and Central Plains prospects and were subject to a broad regional TEMPEST AEM survey in 2016. Five areas of interest were defined from this regional electromagnetic data, airborne magnetic interpretations and geological observations and these were selected for a detailed follow-up 'infill' AEM survey at a 400m line-spacing, using the SkyTEM516 system.

The electromagnetic technique used was Time-Domain electromagnetic survey (TDEM) which is considered to be the best tool for the detection of massive nickel copper sulphides. From the five follow-up infill areas four anomalies were identified from their magnetic response and geological and structural setting (Rankin, 2002), as well as their proximity to regolith copper anomalism returned from previous shallow vacuum drilling conducted by PepinNini.

The highest priority target is the Fowler Anomaly(Southern Dune Fields),which is the largest amplitude late-time response from the AEM and which partly coincides with a strongly remanent magnetic anomaly(Figure 5 left). This response of the Fowler Anomaly is similar to the 100% PNN owned Mt Marcus Intrusion within the Giles Complex in the Musgrave Province (Copper 0.3% to 0.7%, Nickel 0.3%, Cobalt 0.1%).

The strong late-time conductivity feature at the Fowler Anomaly is located at the junction between east - west and southwest - northeast paleochannels. This may provide a possible explanation for the localised high-amplitude response. The data from the closer-spaced AEM survey clearly defines a pattern of extensive shallow flat lying paleodrainage responses over the area of interest (Figure 5, right).

This very promising Fowler Anomaly (Figures 6-7) is also located in a favourable structural setting and is interpreted to have similar features (chonolith feeder-dyke) to the mineralisation style of the major Nebo-Babel Nickel-Copper Project (Probable Ore Reserve of 220Mt @ 0.36% Copper and 0.33% Nickel: announced ASX:OZL and CZI 12 February 2020) in the western Musgrave Province.

These paleochannels are likely to be structurally controlled and reflect a bedrock architecture which may also impact the geometry of the negatively magnetised (intrusive) body. The stronger paleochannel response could potentially indicate the preferential weathering of a mafic intrusive body (potentially the Giles Complex) within resistant Pitjantjatjara Supersuite basement.

This Fowler Anomaly is therefore highly recommended for follow-up investigations using detailed ground EM and shallow vacuum drilling. The potential here is that magmatic sulphide accumulations may be masked by the paleochannel EM response.

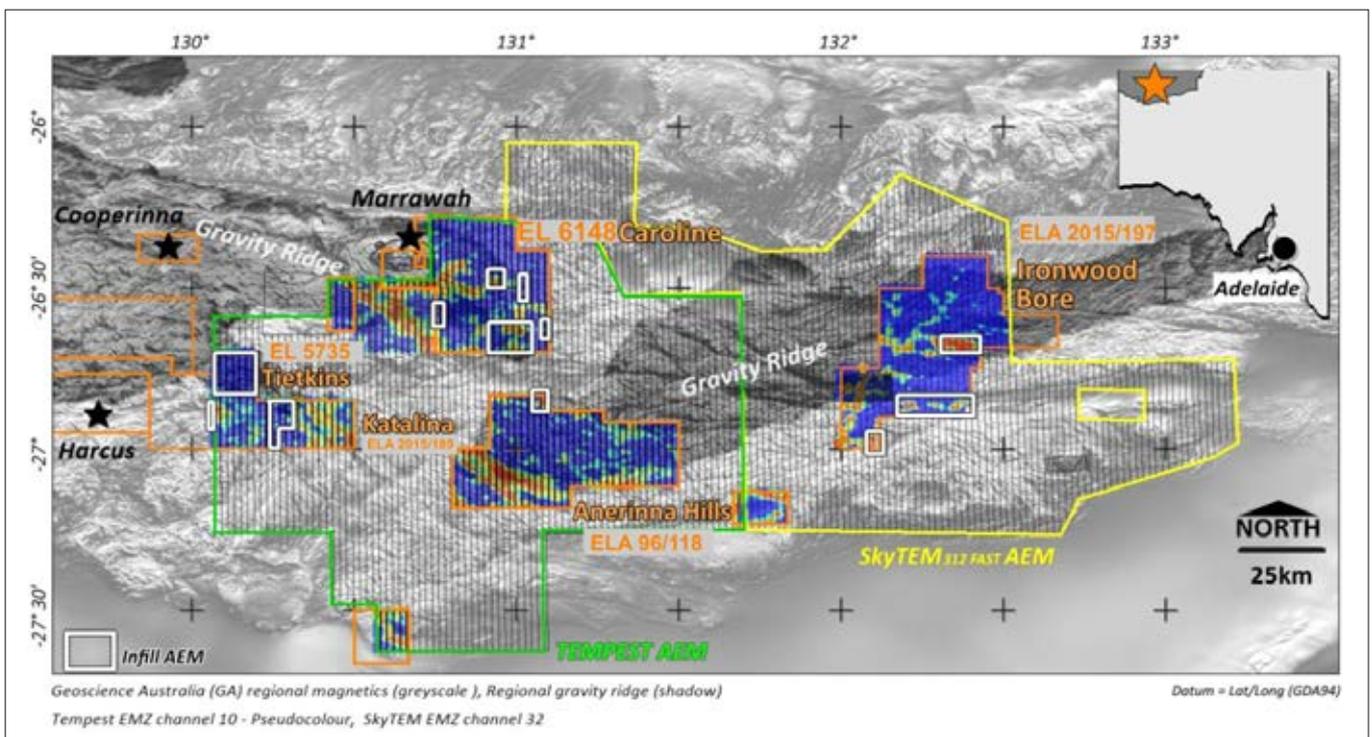


Figure 4: AEM Anomalies - Musgrave Project

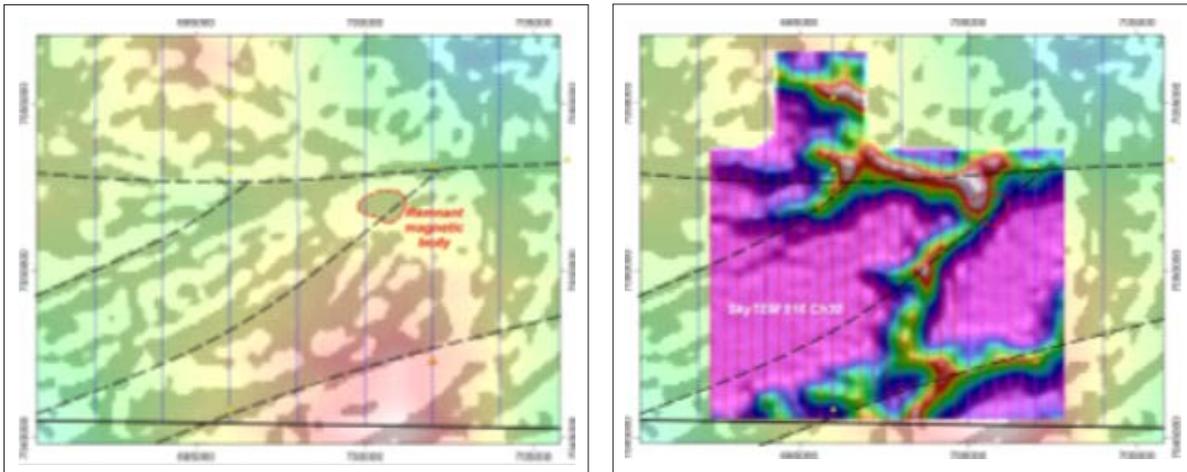


Figure 5: Southern Dune Field infill SkyTEM516 Survey - Bouguer gravity (left) and SkyTEM516 data (right).

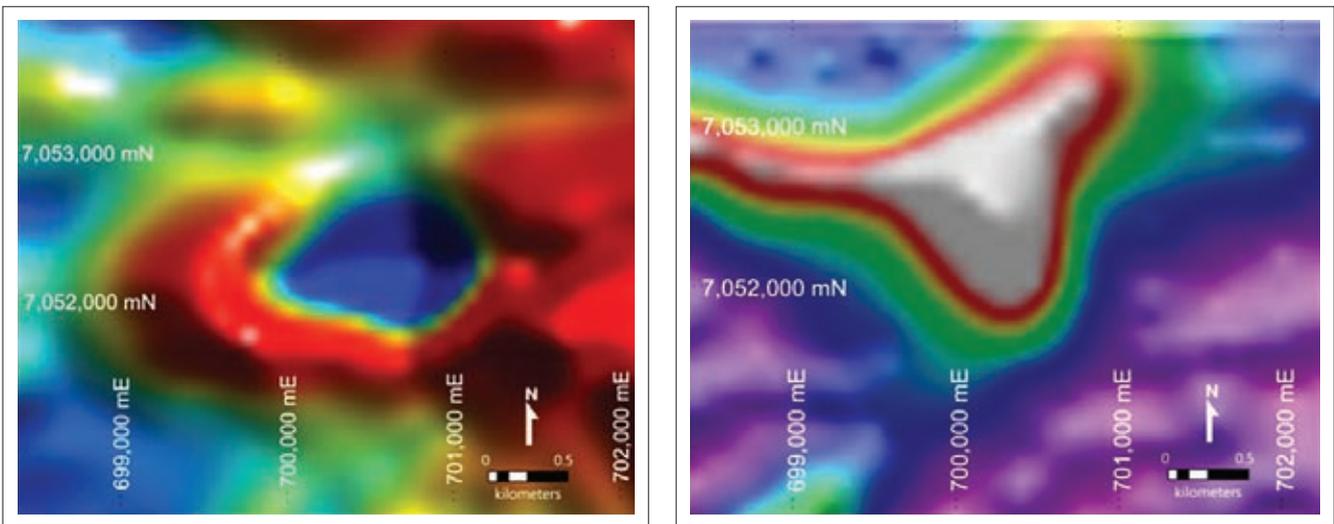


Figure 6: Fowler Target – Total Magnetic Intensity(TMI) image (left) and AEM SkyTEM516 image (right) (Z component Channel 35)

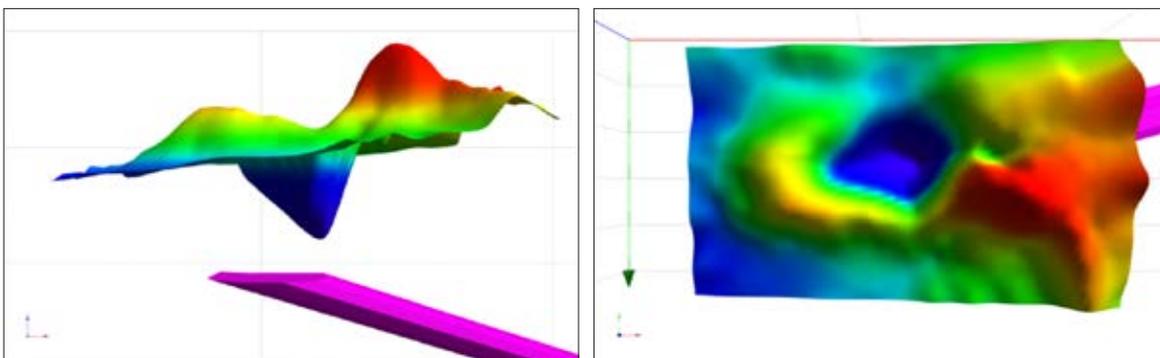


Figure 7: Chonolith Model of Fowler target from magnetic data by James Austin, CSIRO; Looking north (left) and Looking down (right).

### IRONWOOD BORE PROJECT

The surface geology within PepinNini’s Musgrave tenure is largely covered by sediments, exploration targets include primarily nickel and copper sulphide mineralisation with associated gold, platinum group elements and ferrous metals potential within Giles Complex intrusives, along with base metals within the Proterozoic metasediments.

The poor exposure of rocks on available mapping, due to the sediment cover, requires the use of appropriate geophysical exploration methods and regolith drilling in order to define and better understand the host rocks situated beneath the sediment cover. PepinNini has utilised the data from the collaboration AEM for this purpose, and has overlaid the AEM data for Ironwood Bore over historical regional magnetic data of the tenure (Figure 8).

From this data overlay, the regolith (soil cover) is able to be mapped. Then, the two regolith layers have been modelled (Figure 9) using algorithms created by CSIRO to analyse the data. This enables the generation of a profile (shown in Figure 10) that approximates the actual depth to bedrock and allows the anomalies to be observed.

The outcomes of this scope of work has provided the basis on which PepinNini now plans to test the targets(Figure 11) further by way of ground geophysics and soil sampling, followed by targeted core drilling.

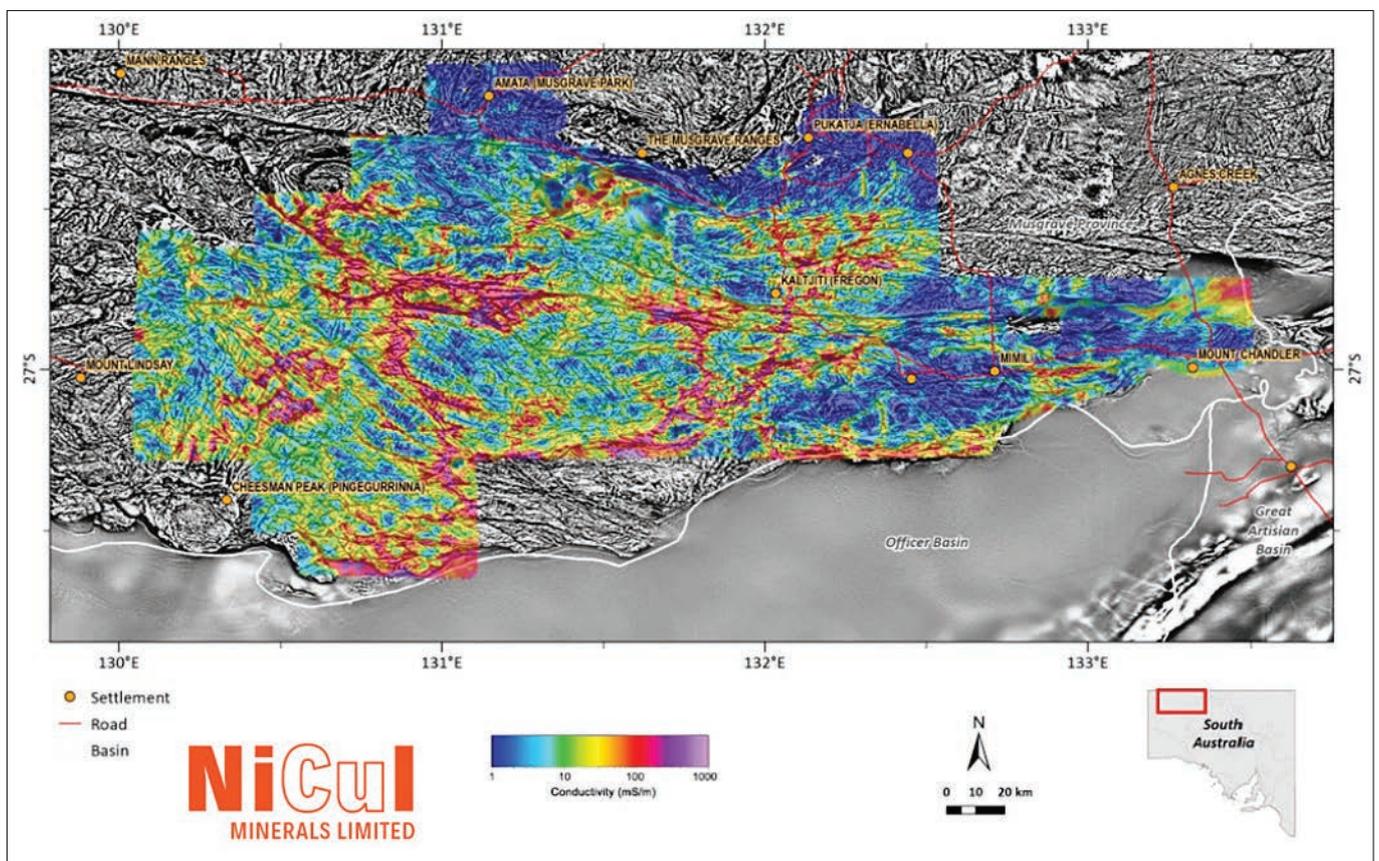


Figure 8 Data from collaboration AEM overlays regional magnetic data at Ironwood Bore

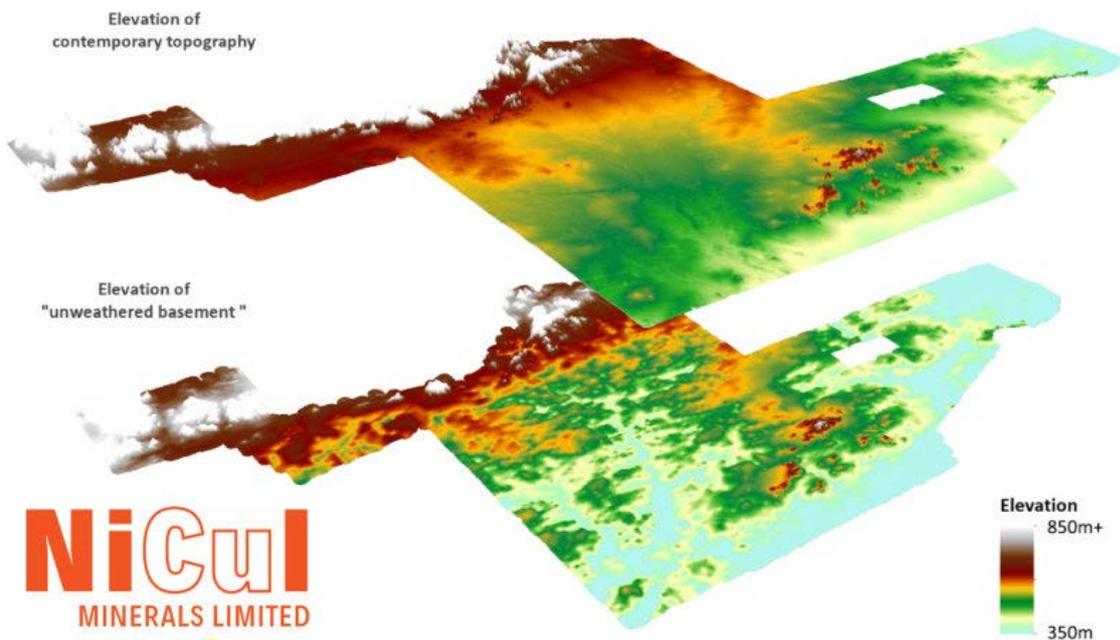


Figure 9: Modelled regolith layers of the Musgrave Block, South Australia

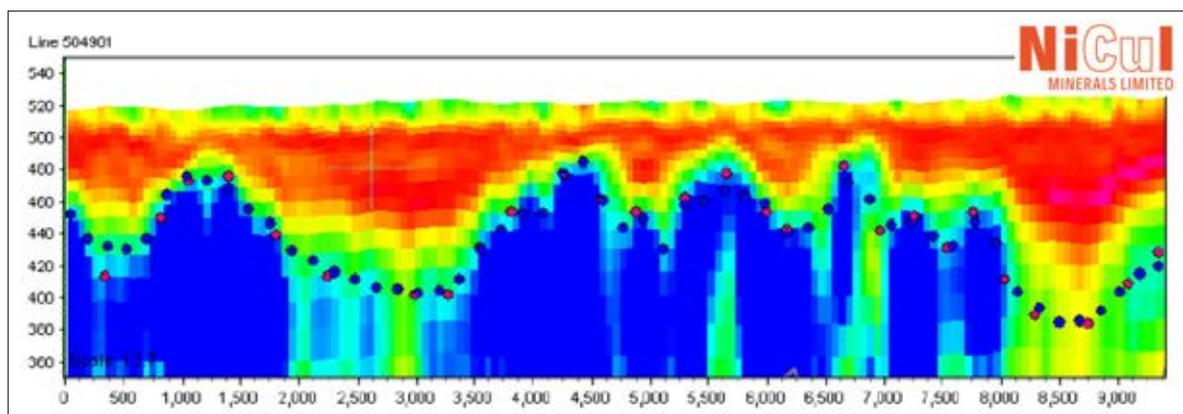


Figure 10: Profile slice showing estimated regolith cover at Ironwood Bore target.

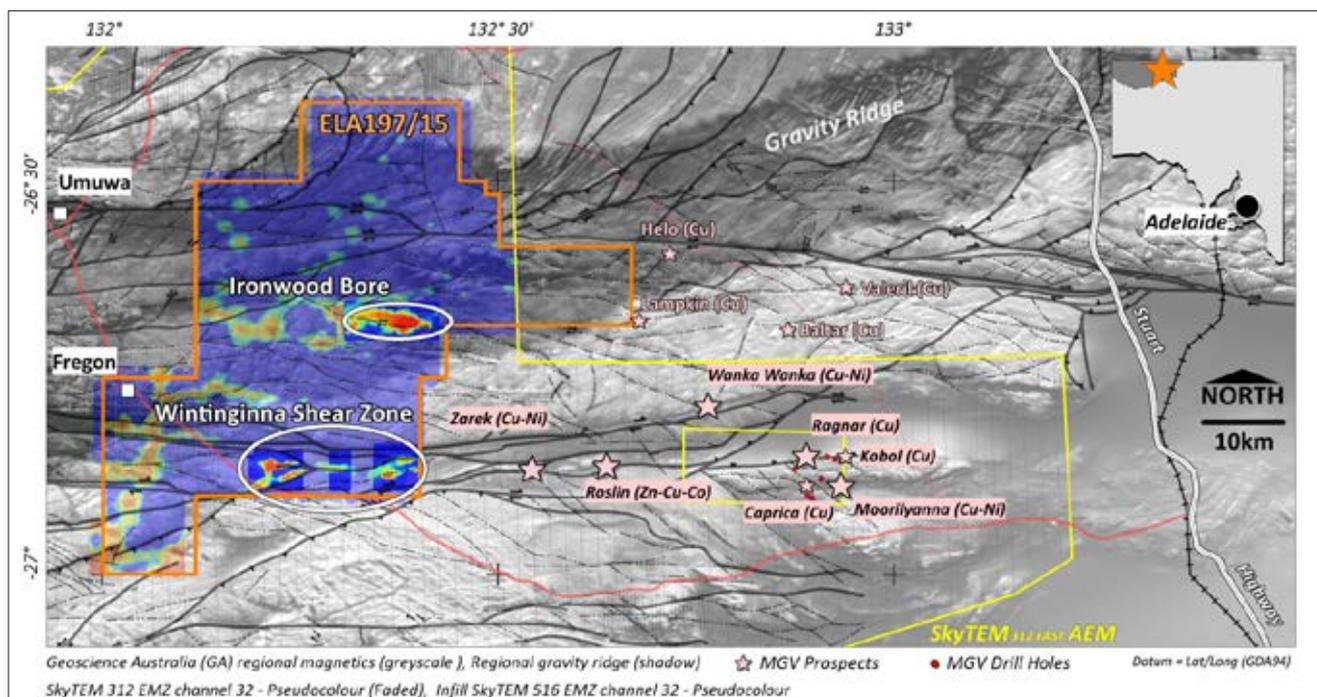


Figure 11: Ironwood Bore AEM anomalies

### MUSGRAVE FARM-IN JOINT VENTURE – RIO TINTO EXPLORATION PTY LTD(RIO)

The RIO Farm-in and Joint Venture commenced in June 2009, and the farm-in arrangement between the two companies has been subject to several extensions and restructurings. During this reporting year due to COVID-19 another extension has been agreed between the parties until 31 December 2021. Under the agreement NiCul has the right to earn 51% in four exploration licence application areas (ELAs) held by RIO covering 614km<sup>2</sup>.

In 2015 the original (ELA) boundaries were re-configured to better accommodate indigenous heritage issues with the aim to improve land access negotiation with Traditional Owners. The four (ELAs) include Pink Slipper geophysical target (Figure 12). The Pink Slipper target was previously defined as a high priority airborne geophysical feature.

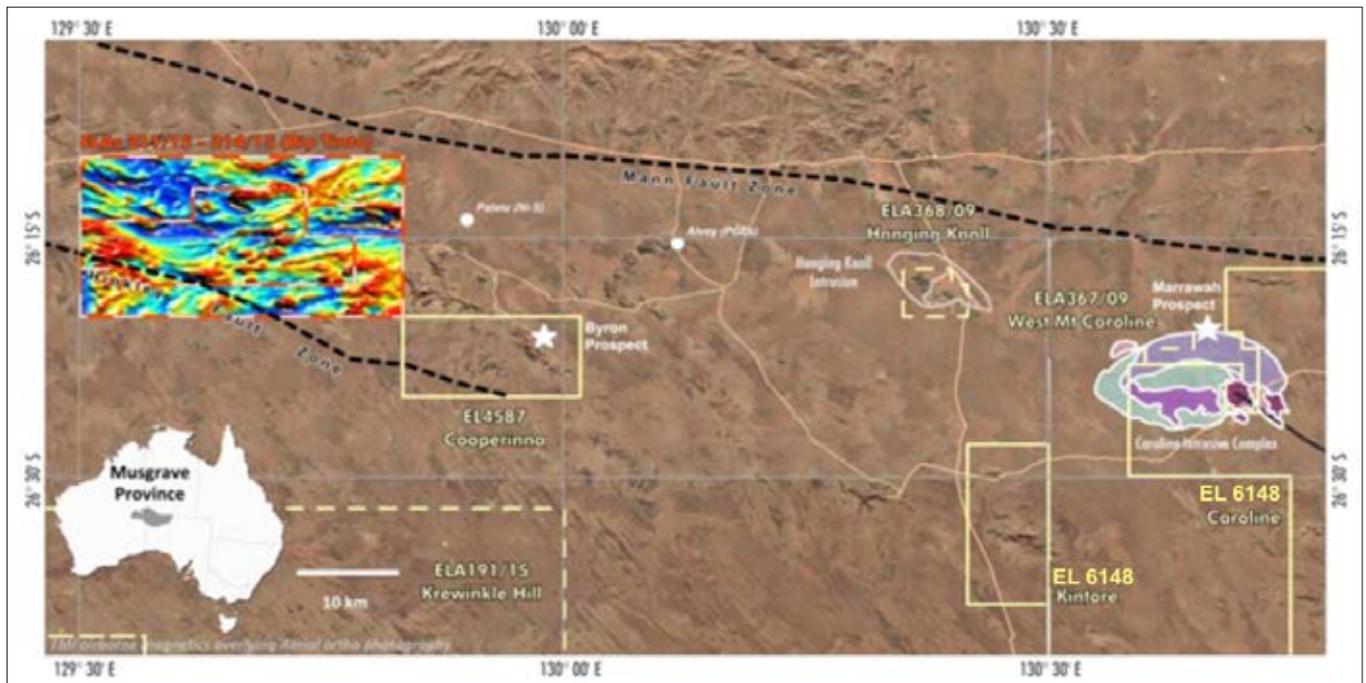


Figure 12: RIO Joint Venture Tenure showing Pink Slipper Project

In March 2019, CSIRO flew an additional program extending the original AEM from 2016, during this process the Pink Slipper anomaly was re-flown resulting in the profile shown in Figure 13 and reinforcing the significance of the anomaly which is now clearly visible in the profile.

NiCul has made progress during the reporting year towards an exploration deed with the Traditional Owners, APY, but due to COVID-19 there has been a delay in organising the community consultation with the appropriate owners of the country covered by the ELAs which is essential to agree an exploration deed. Initial ground exploration activities over the Pink Slipper target, will advance rapidly once the exploration deed is agreed and Heritage Clearance Approvals with APY are secured.

**The Pink Slipper target remains a priority of the Company.**

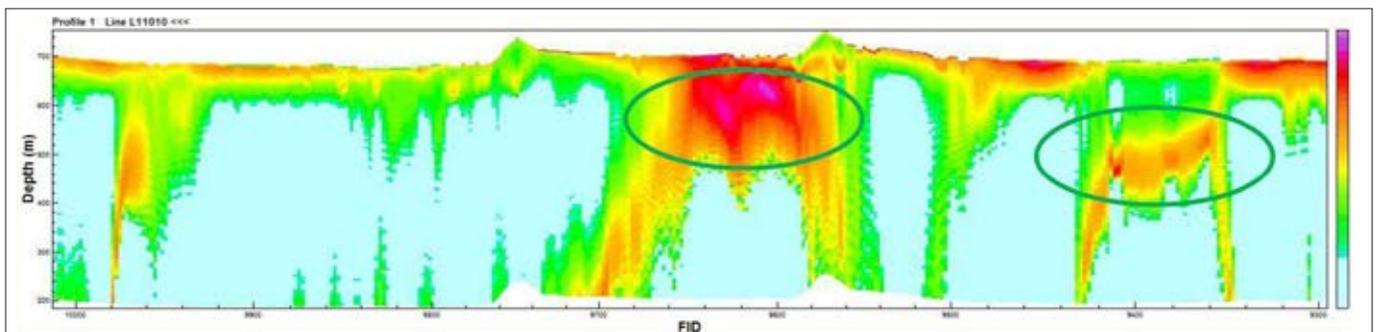


Figure 13 - Pink Slipper Geophysical Target ELA 2015/214 (courtesy CSIRO Spectrem EM Survey Mar 2019(2))

## PROJECT GENERATION

The Company evaluated two gold projects during the reporting year with the view to acquiring a project with another mineral commodity to enlarge the Company's portfolio. Unfortunately, neither project suited our criteria for an acquisition. The Company will continue to search for new opportunities through Project Generation, and new exploration opportunities as they arise.



*Mt Caroline Camp, Central Musgrave Project*

## References

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Hoatson, D.M., Jaireth, S. and Jaques, A.L., 2006. Nickel sulphide deposits in Australia: Characteristics, resources, and potential. *Ore Geology Reviews*, 29: 177-241.

Rankin, L.R. & Newton, C.A., 2002, Musgrave Block, central Australia: regional geology from interpretation of airborne magnetic data. Geointerp Report 2002/5 for Rio Tinto Exploration Pty Ltd and Primary Industries and Resources South Australia. South Australia. Department of Primary Industries and Resources. Report Book, 2002/031.

# Lithium Brine Project – Argentina

## INTRODUCTION

PepinNini subsidiary PepinNini SA hold five projects (Figure 1) in Salta Province, Argentina. The overall Lithium Brine Project area is within the South American Lithium triangle of Argentina, Bolivia and Chile. This is an elevated area of the Andes Mountains in which evaporation rate is high, precipitation low and which is geothermally active. These three factors combine to concentrate and enrich lithium as lithium salt in the elevated dry salt lakes(salares) of this Puna region of the Lithium triangle.

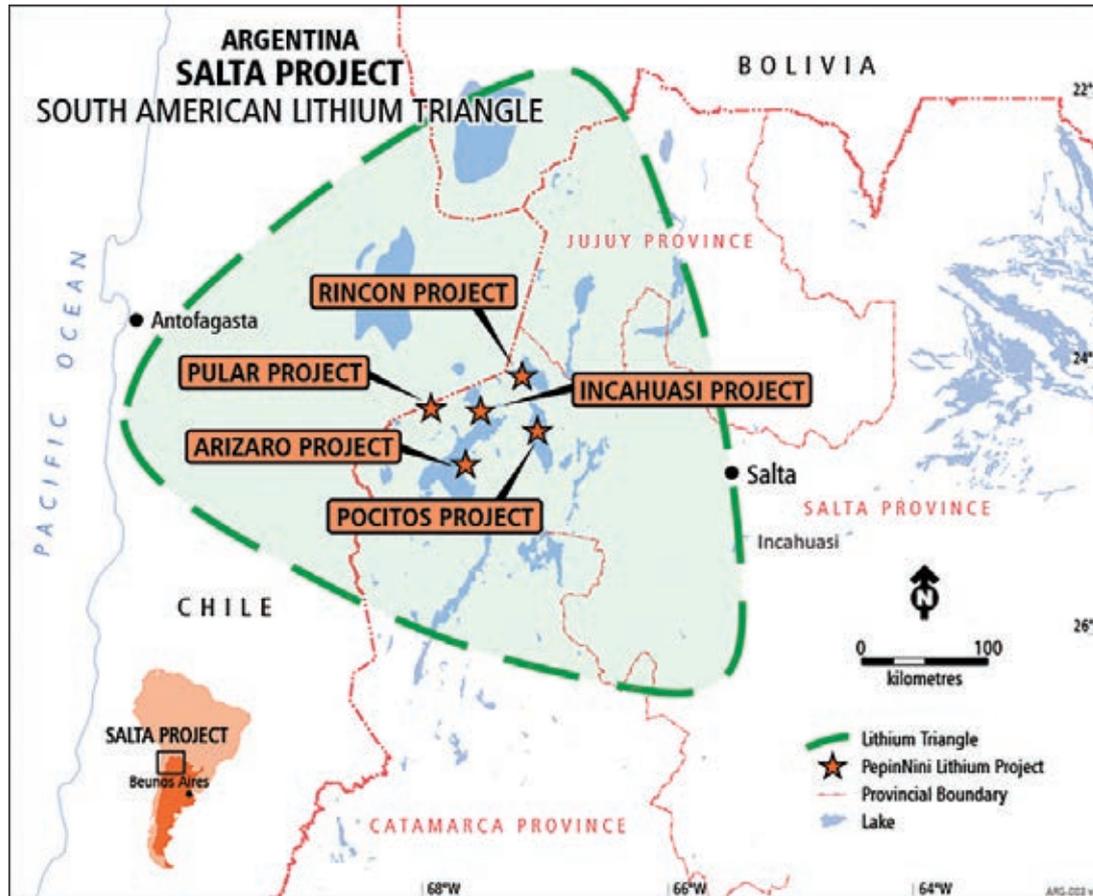


Figure 1: PepinNini Projects in the South American Lithium Triangle

Lithium, is the lightest of the metals, is highly reactive and occurs in most rocks around the world however this unique combination of natural elements gives rise to the deposits found. Lithium carbonate is produced from the lithium salt bearing brines as this compound is more stable and able to be safely transported. There are a number of companies in production in the Triangle on Atacama Salar in Chile, on Olaroz Salar and Salar del Hombre Muerto in Argentina. The production process involves evaporation of the brine which is pumped from beneath the surface of the salar and concentrated on the salar then processed in a plant designed for the geochemistry of the deposit.

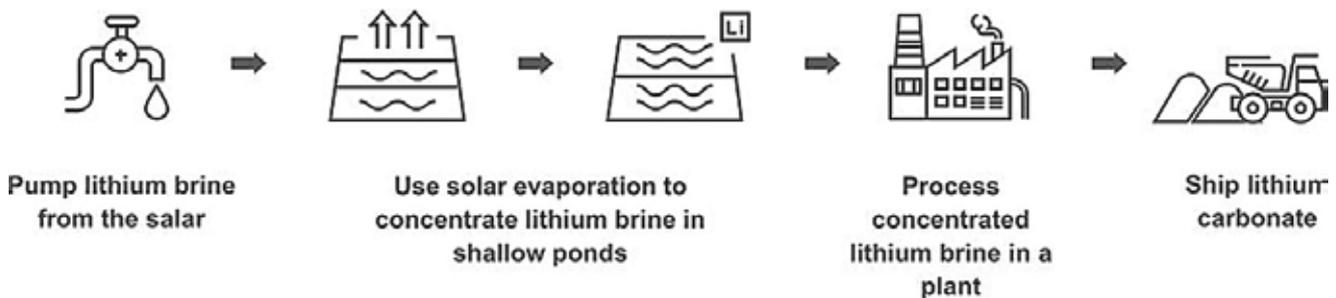


Figure 2: Lithium Carbonate (LCE) Production Steps

PepinNini SA holds seven(7) mining leases(mina) in Salta Province comprising 15,708 hectares for the Lithium Brine Project. (Figure 3 Project location map). This year the Company has been forced due to the COVID-19 pandemic to cease any exploration activity on the project.

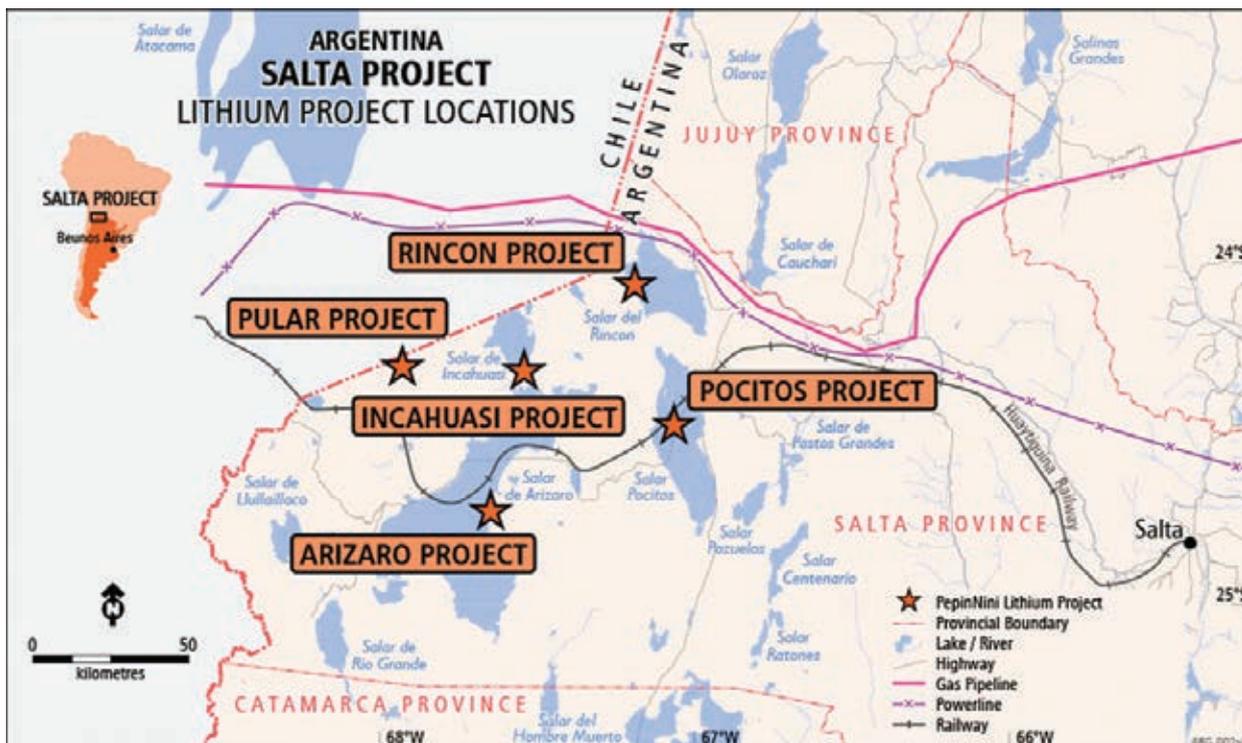


Figure 3 – Lithium Brine Project locations – Salta Province

# ARGENTINA



Brine blend simulation indicates enriched brine evaporate of 3.05% Lithium

JORC 2012 compliant Lithium carbonate (LCE) Resources announced on two projects totalling 239,000 tonnes – 63% Measured & Indicated

Lithium Carbonate Resource Brine chemistry - high gypsum(CaSO4)



Lithium Carbonate Resource

Surface trench brine sampling program, brine chemistry - high calcium content

### PULAR PROJECT

The lithium carbonate resource was re-stated 23 January 2019 for the Pular Project. The JORC 2012 Resource tabulated in Table 1 below is of Lithium Carbonate(LCE) Measured 91,000 tonnes and Inferred 82,000 tonnes and includes a potash(KCL) resource.

**Table 1 Updated Resource Estimate, Pular Project**

Resource Category	Brine Volume (m3)	Avg. Li (mg/L)	In situ Li (tonnes)	Li2CO3Equivalent (tonnes)LCE	Avg. K (mg/L)	In situ K (tonnes)	KCl Equivalent (tonnes)
Measured	2.0 x 10 <sup>8</sup>	87	17,100	91,000	4,510	888,700	1,695,000
Inferred	2.0 x 10 <sup>8</sup>	77	15,400	82,000	4,280	853,400	1,627,000

No cut-off grade was applied; The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

The resource estimate was prepared in accordance with The JORC Code 2012 and uses best practice methods specific to brine resources, including a reliance on core drilling and sampling methods that yield depth-specific chemistry and effective (drainable) porosity measurements. The resource estimation was completed by independent competent person Mr. Michael Rosko, M.Sc., C.P.G. of the international hydrogeology firm E.L. Montgomery & Associates (M&A). Figure 4 below shows the updated polygon blocks (red) used for the re-stated LCE resource.

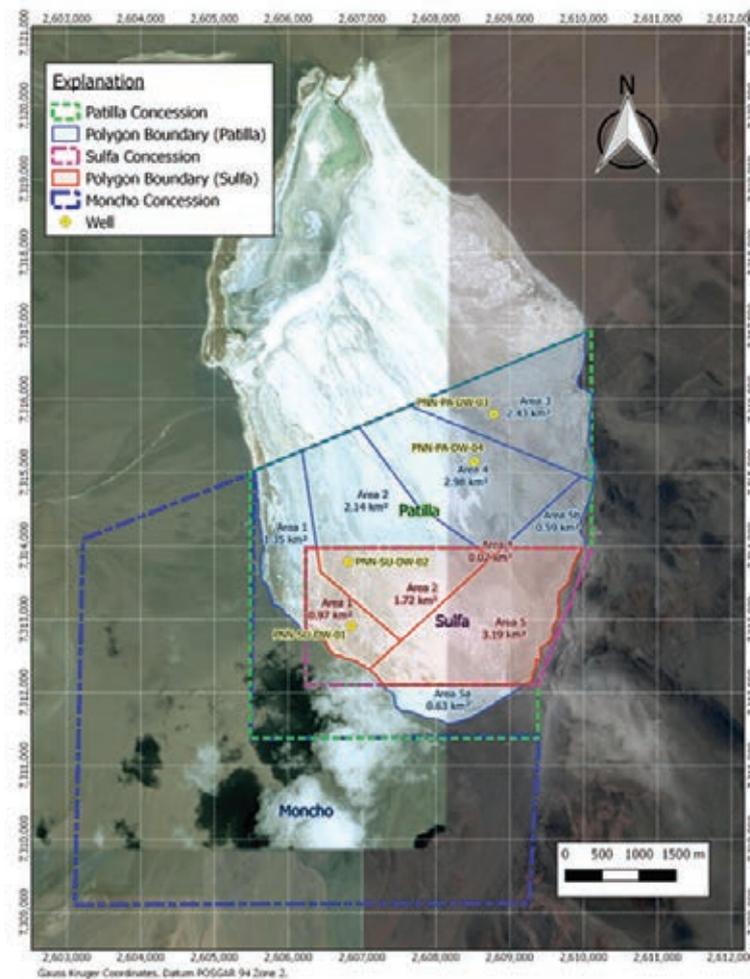


Figure 4 – Updated Polygon Blocks Sulfa Mina, Salar de Pular



Drilling Salar de Pular

## RINCON PROJECT

The Rincon Project contains a JORC 2012 resource stated 27 June 2018 and tabulated in Table 2 below and Figure 5 shows the polygons used for the resource calculations.

**Table 2 - Rincon Project Brine Resource Statement**

Resource Category	Brine Volume (m3)	Avg. Li (mg/L)	In situ Li (tonnes)	Li2CO3 Equivalent (tonnes) LCE	Avg. K (mg/L)	In situ K (tonnes)	KCl Equivalent (tonnes)
Measured	2.7 x 10 <sup>7</sup>	252	7,000	36,000	6,040	161,000	307,000
Indicated	1.9 x 10 <sup>7</sup>	233	5,000	24,000	5,512	109,000	208,000
<b>M+I</b>	<b>4.6 x 10<sup>7</sup></b>	<b>244</b>	<b>12,000</b>	<b>60,000</b>	<b>5,815</b>	<b>270,000</b>	<b>515,000</b>
Inferred	3.7 x 10 <sup>6</sup>	288	1,000	6,000	7,001	26,000	49,000

No cut-off grade was applied; lowest grade brine observed was 197 mg/L

The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability

Brine levels were monitored and resampled during the year for the Rincon Salar.



Monitoring Brine Level - Salar del Rincon

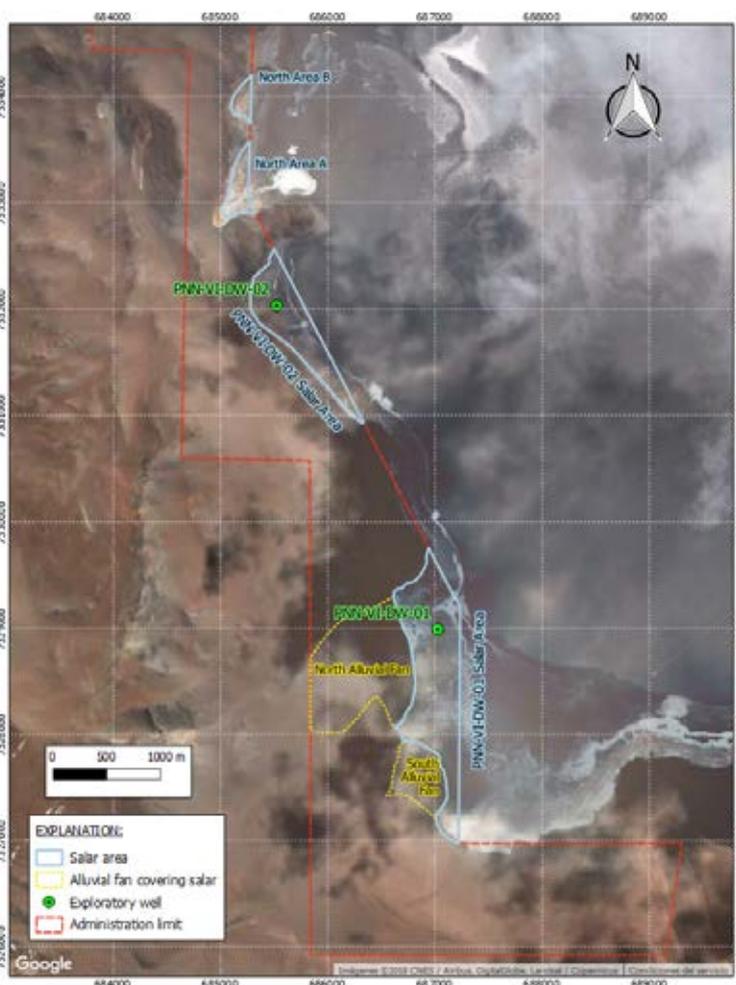


Figure 5 – Borehole Locations and Polygons used for Resource Calculations (June 2018) Salar del Rincon

## INCAHUASI PROJECT

The Incahuasi project is located between the Pular and Rincon projects, Mina Sisifo covers 2,000ha. The Company carried out a trench sampling program at the Incahuasi Project in 2019 (Figure 6). Geophysics completed in 2018 had indicated two brine layers and the trench sampling was taken from the upper brine layer only and returned grades of up to 203mg/l lithium. According to drilling in the region, there is potential for higher lithium grades from the deeper brine layer.

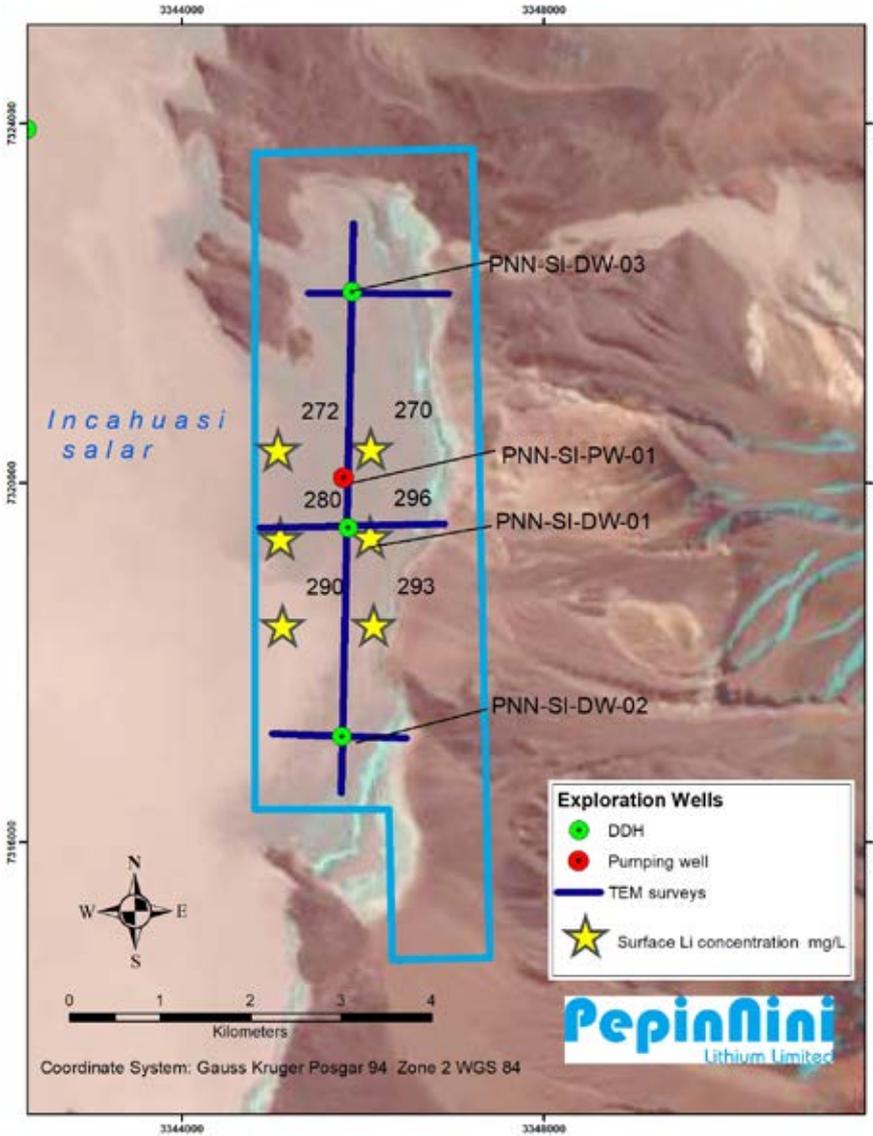


Figure 6 –Mina Sisifo, Salar de Incahuasi

## Beneficiation Program

Pepinini’s drilling and trenching programs to date have returned lithium sample grades of 0.02% at the Rincon Project and 0.015% at the Incahuasi Project, with typical contaminate minerals present at each project area.

In order to deliver a higher-grade, more marketable concentrate, the Company commenced a beneficiation program, which involved blending the brines from the different projects and removing the deleterious contaminants.

The first stage of the beneficiation program delivered outstanding results with an enriched lithium brine concentrate containing 3.05% (30,500 ppm – parts per million) lithium and a very low magnesium contaminate ratio of 1.6:1 Magnesium:Lithium (Table 3). The result represents a massive increase in lithium content in raw brine.

The test work involved the blending of brines from these Rincon and Incahuasi deposits (Figure 7). The computer simulations found that the chemistry of Rincon and Incahuasi salt lakes were highly complementary; Rincon brine is high in sulphate and Incahuasi brine is high in calcium. With blending the deleterious gypsum precipitated out of the final blended brine and resulted in a very high-grade lithium concentrate.

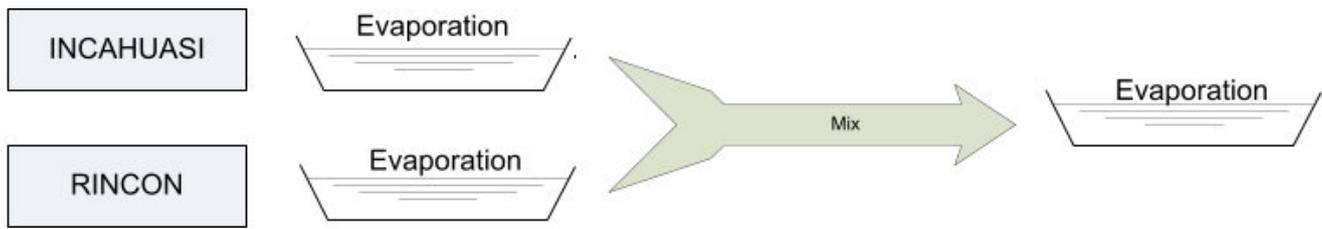


Figure 7: Flow diagram of the brine blending process

	H <sub>2</sub> O Water %	Li Lithium %	Na Sodium %	K Potassium %	Ca Calcium %	Mg Magnesium %	Cl Chloride %	SO <sub>4</sub> Sulphate %	B Boron %
Final Brine	59.61	3.05	0.12	0.11	0.47	5.04	31.42	0.005	0.16

Table 3: Results of stage one beneficiation studies

### Next Steps

To confirm and validate the stage one results, PepinNini is now planning, in the context of its overall portfolio of projects, funding priorities and market pressure, to undertake the next stage of beneficiation studies involving laboratory bench test-scale studies to validate the high-grade stage one results.

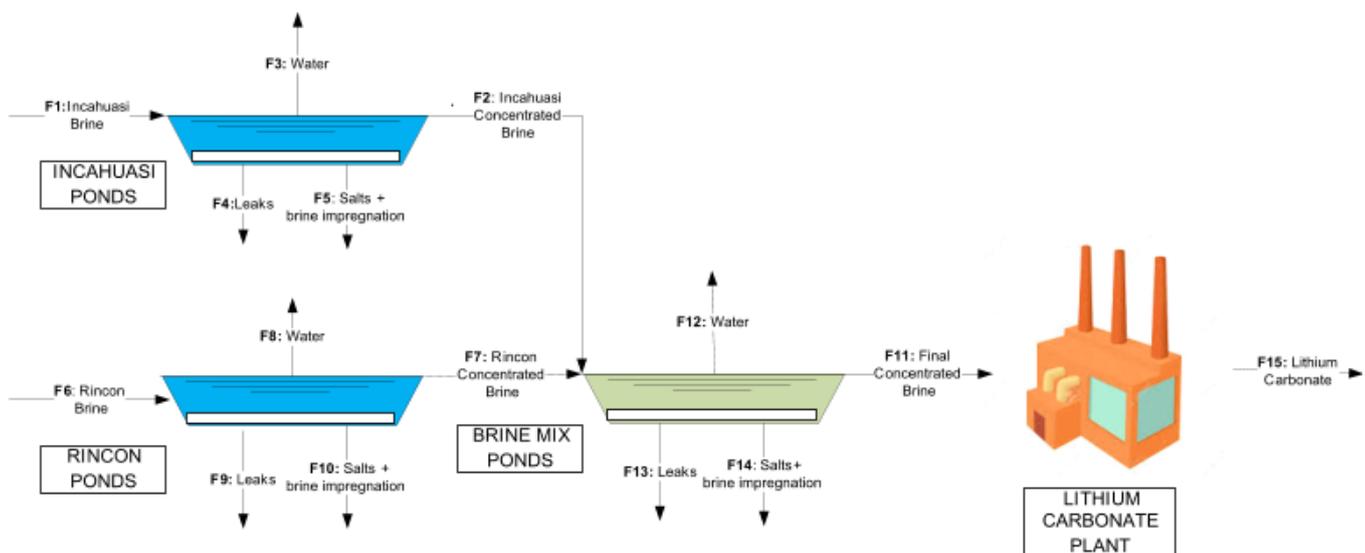
This will involve blending brine samples from the Rincon and Incahuasi projects in a laboratory environment, which will involve a laboratory-scale wind tunnel to create accelerated evaporation conditions to enrich the brine samples.

This program will be designed to test and estimate the approximate actual evaporation and concentration of lithium brines that is required to produce lithium carbonate. The objective of the stage two program will be to provide actual data on the blended brine product to validate the results of the computer simulations from stage one. An important consideration in these tests is also to determine the optimum pre-concentration point for blend composition that is likely to achieve highest lithium concentration for blended brines while minimising transport and operational cost of brines to the combined evaporation ponds.

The Company has identified a consultant with requisite wind tunnel equipment from the University of Salta to conduct these tests. The laboratory bench test program is expected to take a period of three months to complete.

Figure 8 (below) presents an indicative process flow diagram for the production of lithium carbonate from brines, where the brines are concentrated by evaporation in solar ponds, blended and then fed as a concentrate to a lithium carbonate plant.

Figure 8 Indicative flow diagram for the production of lithium carbonate(LCE) from blended brine



### SANTA INES COPPER GOLD PROJECT

PepinNini SA (Argentine entity) retained tenure during the year that targets copper-gold porphyries within four highly prospective leases of the Santa Ines Project. (Figure 9). Due to COVID-19 and funding limitations no exploration work was done on the project this year.



Figure 9 – Santa Ines Copper Gold Project, Salta Province, Argentina.

The Santa Ines Project lies within the NW trending Archibarca mega-lineament, which is one of several major structural corridors that are fundamental in the control of the distribution of porphyry-epithermal deposits in the Andean Belt (Figure 10). This project logistically benefits by being only 5kms from the Salta-Antofagasta railway and is easily accessed using existing roads and tracks.

The Project lies within a crustal scale NW trending mega-lineament, which in Andean geology are widely recognised as being major long-lived structural corridors that are fundamental in the control of the distribution of porphyry-epithermal deposits. The “Archibarca” NW lineament extends from Cerro Galán (Argentina’s largest ignimbrite caldera complex) in the southeast through to the Pacific coast of Chile.

Known mineralization along this lineament to the immediate southeast of Santa Ines includes the Lindero Copper - Gold Project (Fortuna Silver Mines Inc TSX:FVI 1,714koz Au 0.63g/t Cu 0.11%) currently in ramp up to production in Q1 - 2021 and advanced Cu-Au exploration projects including Rio Grande, Arizaro and Samenta. Situated approximately 80km to the northwest along the same lineament is BHP’s giant Escondida Cu-Au porphyry (~5 billion tonnes at 1% Cu and 0.25 g/t Au) which also was deposited contemporaneously with the Santa Ines Formation event during the Late Eocene-Oligocene.

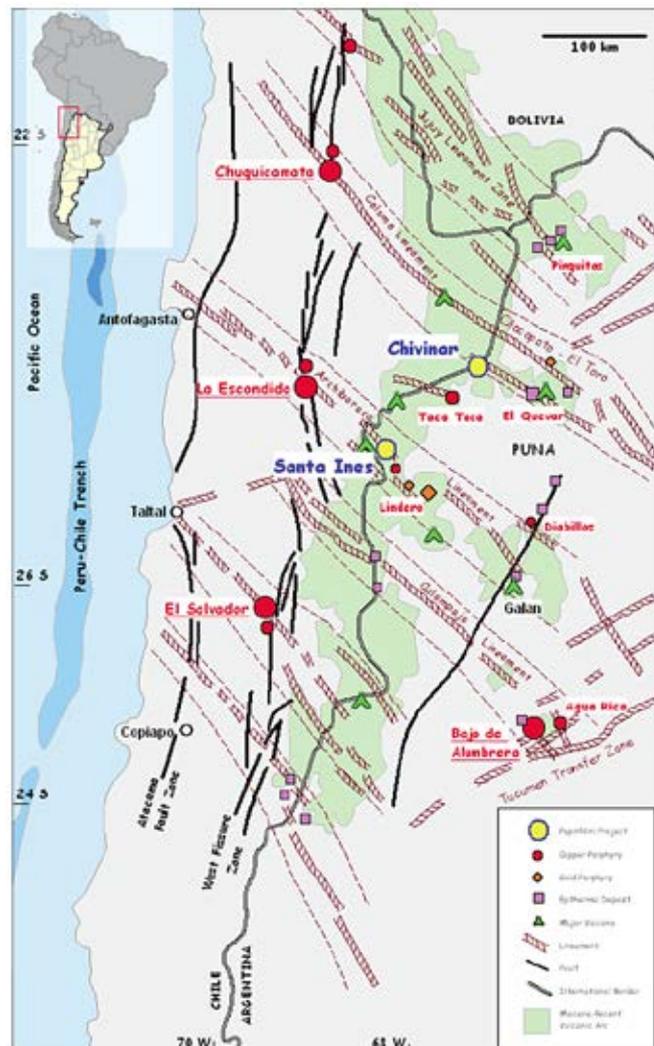


Figure 10 – Santa Ines Mine regional structure

The Santa Ines mina comprises a number of small artisanal diggings consisting of shallow pits and adits exploiting abundant secondary copper and specular haematite mineralisation associated with haematite-silica veining within a broader envelope of albitic alteration. Orientated to the NE this steeply dipping vein system and phyllic alteration extends across a low outcropping hill. More recent shallow pits indicate that mineralisation is evident for at least 400m across strike whereas along strike it becomes lost under thin cover at the base of a hill after a few hundred metres. Published reports by SEGEMAR (Argentine Geological Survey) describe the mineralisation at Santa Ines as being gold bearing with mineralisation present dominantly as malachite, azurite, chrysocolla and specular haematite with minor primary mineralisation occurring as chalcopryrite and chalcocite. Samples collected recently by PepinNini Minerals confirm high grade copper and gold mineralization is present.

In 2012 four grab samples were collected from around the opening of the Santa Ines Mine and assayed by ALS Global laboratory in Adelaide. Assay results are tabulated below:

Sample	Cu%	Fe%	Au g/t	Ag g/t
1	21.7	26.4	0.91	34.9
2	13.7	23.7	0.17	17.5
3	10.6	10.8	0.12	1.6
4	1.7	8.0	-	3.4

**Table 4 – Surface Grab Samples Santa Ines Mine**



**Santa Ines Sample 1 – 21.7% Cu, 0.91g/t Au**



**Sample 2 13.7% Cu, 0.17g/t Au**

Exploration involving field sampling and mapping and ground geophysics was carried out in 2013-2014.

The geological field team completed approximately 1,000 ha of mapping across the central portion of the project area which lies to the west of the historic Santa Ines mine working during the first phase of mapping activities (Figure 11). Thirty seven rock chip and grab samples were collected across the mapping area for multi element geochemical analysis and gold assay. Ten samples returned significant results with eight of those recording greater than 0.5% copper to a maximum result of 3.256% Copper. The anomalous samples are located in the vicinity and to the west of the Santa Ines historic mine (Figure 12). The ten samples also recorded anomalous poly-metallic values with maxima of 0.8 g/t gold, 12.5 g/t silver, 91.1ppm molybdenum, 541.1ppm lead, 2,992ppm zinc, 36.29% iron, and >200 ppm tungsten. (Table 5)



*Historic Santa Ines Mine – Salta, Argentina*

### **Ground Magnetic Survey**

A detailed, continuous-reading, ground magnetic survey was undertaken during the phase-I exploration activities using locally based geophysical contractors (Geofisica Argentina). The survey involved the acquisition of approximately 180 line kilometres of data along 150m spaced N-S survey lines in the central portion of the project area (Figure 13).

The survey has highlighted an interesting 1.4km x 0.8km target in an area dominated by alluvial /colluvial / scoria cover. Profiling of the data suggests a deep magnetic source worthy of additional investigations given the association of copper-gold mineralisation with magnetite at the nearby Lindero and Rio Grande deposits.

### **Next Steps**

Several interesting magnetic responses have been identified from the survey that will also be investigated in further detail by drill testing.

Table 5: Significant Rock Chip Sample Results

Sample	East	North	Altitude	Cu	Au (ppb)	Ag (g/t)	Mo (ppm)	Pb (ppm)	Zn (ppm)	Fe (%)	W (ppm)
PEP-08	2586715	7259254	4,408.8m	1.22%	200	0.1	2.6	432.6	1,633	8.34	13.1
PEP-09	2586714	7259248	4,412.3m	0.71%	38	0.2	2.2	456.1	1,409	8.25	11.1
PEP-10	2586537	7259631	4,454.5m	1.34%	335	0.6	14.5	49	442	36.29	>200
PEP-11	2586532	7259522	4,449.5m	3.26%	27	12.5	9.2	541.6	1,817	8.18	14.6
PEP-12	2586699	7259418	4,436.2m	1.61%	80	1.9	14.7	190.5	614	20.8	51.6
PEP-13	2586412	7259658	4,483.5m	0.37%	145	1.2	18.4	11.3	408	24	185.5
PEP-14	2586365	7259755	4,483.6m	0.68%	170	2.2	13.5	11.7	106	9.16	8.3
PEP-15	2586507	7259376	4,421.8m	0.68%	7	0.5	11.9	73.5	1,139	24.92	>200
PEP-16	2586725	7259661	4,424.9m	2.44%	635	2.7	91.1	18.5	562	12.36	4.9
PEP-19	2586096	7260210	4,404.6m	0.11%	8	1	3.5	40.1	2,992	16.18	60.1

NB. East / North co-ordinates = Argentina Gauss-Kruger Zone 2

Analysis by ACME ANALYTICAL LABORATORIES LTD, all analyses by multi-acid digestion with an ICP finish, except Au, which was done by 30g charge fire assay and ICP finish. Analyses of W are likely to be partial rather than total values. The analyses include grab samples of mine dump material and are not representative of grades to be expected from in-situ mineralisation. A further 27 samples contained lower Cu values.

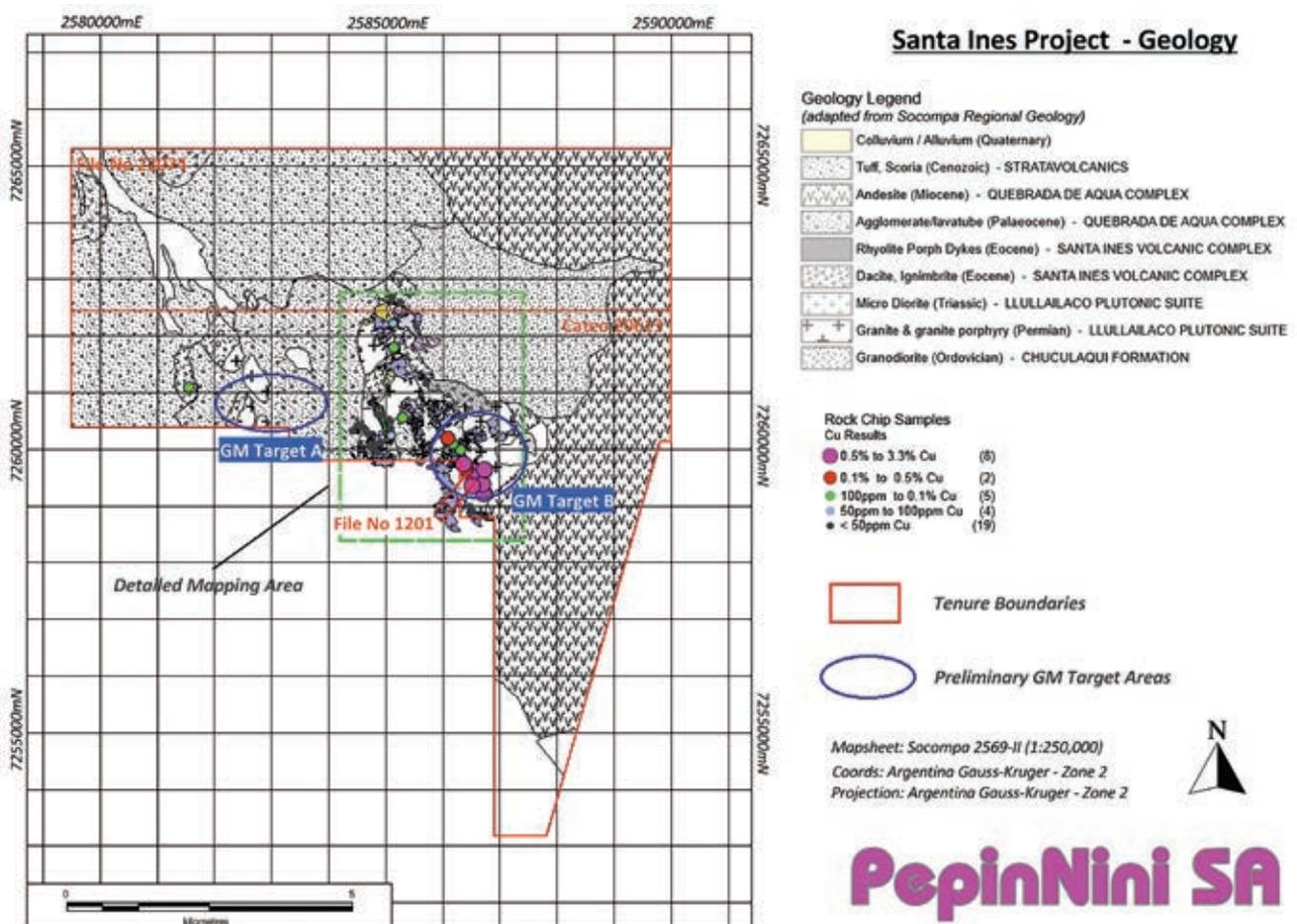
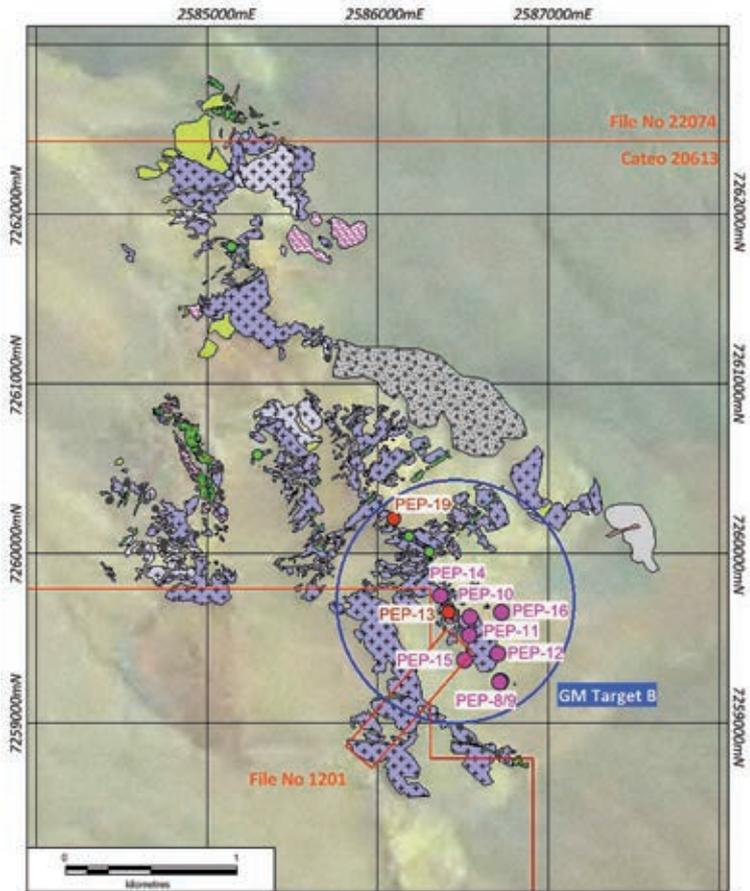


Figure 11 Santa Ines Project Geology



**Santa Ines Project  
Detailed Geological Mapping**

**Stratigraphic Legend**

**Post - Santa Ines Volcanic Complex deposits**

- Mine dump material
- Unconsolidated, mainly volcanogenic deposits (block and ash deposits, bedded sediments)
- Monzonite/trachyte dykes - porphyritic
- Basalt - lava to hypabyssal intrusions
- Fault zone, probably also with movement syn-Santa Ines Volcanic Complex deposition

**Santa Ines Volcanic Complex (Eocene?)**

- Rhyolite - dykes and lavas (some may be younger than Santa Ines Volcanic Complex)
- Dacite - dykes and high level plugs
- Andesite - intrusions, mainly dykes
- Andesite lava, massive porphyritic or flow-banded
- Andesite volcanic breccias (polymict)
- Mafic Breccia - grade from shear zones to fluidized breccias (age? post-granite, pre-andesite)

**Lullailaco Plutonic Complex (Permo-Triassic)**

- Leucogranite
- Granite
- Foliated granite

**Tenure Boundary** (Red rectangle)

**GM Target Area** (Blue oval)

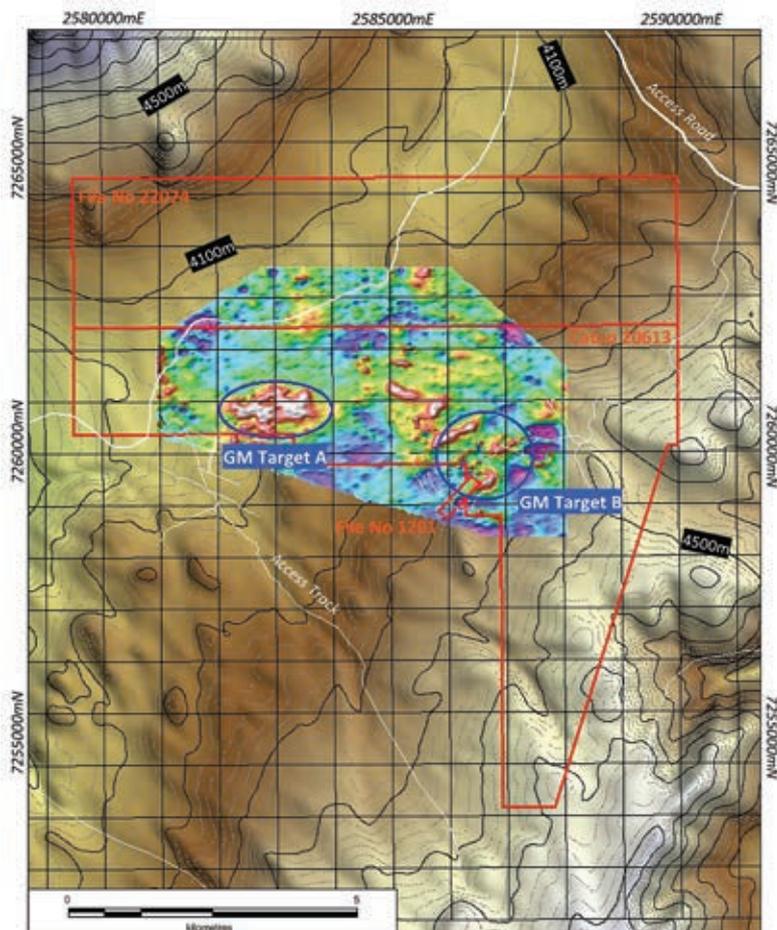
**Rock Chip Samples Cu Results**

- 0.5% to 3.3% Cu (8)
- 0.1% to 0.5% Cu (2)
- 100ppm to 0.1% Cu (5)
- 50ppm to 100ppm Cu (4)
- < 50ppm Cu (19)

Mapsheet: Socompa 2569-II (1:250,000)  
 Coords: Argentina Gauss-Kruger - Zone 2  
 Projection: Argentina Gauss-Kruger - Zone 2

Figure 12 – Santa Ines surface sample results

**PepinNini SA**



**Santa Ines Project  
Ground Magnetics**

**Geofisica Argentina (Local Geophysical Contractor)  
Ground Magnetics (~180 line km)  
Acquired December 2013  
Line Spacing 150m  
Line Orientation N-S**

**GM Image = TMI (Reduced to Pole)**

**Preliminary Target Areas** (Blue oval)

**Background Image - Digital Elevation Model & Contours**

- 100m Contour
- 20m Contour

**Tenure Boundaries** (Red rectangle)

Mapsheet: Socompa 2569-II (1:250,000)  
 Coords: Argentina Gauss-Kruger - Zone 2  
 Projection: Argentina Gauss-Kruger - Zone 2

Figure 13 – Santa Ines Project Ground Magnetics

**PepinNini SA**

## COMMUNITY ENGAGEMENT AND PARTICIPATION

The Company is committed to building a strong social and environmental licence with the communities and traditional owners of its projects in Australia and Argentina.



Photo 1: Anangu Pitjantjatjara Yankunytjatjara Community Participation



Photo 2 – Olacapato, Salta Province, Community Engagement

# TENEMENT SCHEDULE

## AUSTRALIA TENEMENTS

Tenement	Tenement Name	Area Km <sup>2</sup>	JV	PepinNini Interest	Grant Date
<b>SOUTH AUSTRALIA</b>					
ELA 2020/107 (subsequent EL)	Mt Marcus	1,607		100%	25/10/10
EL 6148	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	Tjintalka	184	JV02	Earning 51% *	application
ELA 212/15	Kapura	160	JV02	Earning 51% *	application
ELA 213/15	Jalukana	234	JV02	Earning 51% *	application
ELA 214/15	Tjalukana	37	JV02	Earning 51% *	application
ELA 2020/136	Tikalena	171		100%	PNN Application
<b>Total NiCul 100%</b>		<b>14,003</b>			
<b>JV earning NCL &amp; Rio</b>		<b>615</b>			
<b>Total PNN 100%</b>		<b>171</b>			
<b>Total</b>		<b>14,789</b>			

## ARGENTINE TENEMENTS

	Tenement	File #	Type	Project	Application	Granted	Applied Area Ha	Title Holder
Cu-Au	Mina Santa Ines	1201	Mina	Santa Ines	27-Sep-10	20-Sep-11	18	PNN SA 100%
Cu-Au	Santa Ines VIII	22074	Mina	Santa Ines	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
Cu-Au	Santa Ines XII	22373	Mina	Santa Ines	11-Oct-14	30-Nov-15	2,609	PNN SA 100%
Cu-Au	Santa Ines XIII	22372	Mina	Santa Ines	11-Oct-14	9-Sep-15	511	PNN SA 100%
							<b>6,138</b>	
Li Brine	Sulfa 1	19188	Mina	Salar de Pular	2-Jun-16	22-Feb-17	657	PNN SA 100%
Li Brine	Luxemburgo	18548	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,495	PNN SA 100%
Li Brine	Villanovena 1	19565	Mina	Salina del Rincon	2-Jun-16	22-Jun-16	1,586	PNN SA 100%
Li Brine	Tabapocitos 02	20017	Mina	Salar Pocitos	2-Jun-16	22-Jun-16	2,970	PNN SA 100%
Li Brine	Pocitos 11	22741	Mina	Salar Pocitos	17-Aug-16	19-Sept-16	3,000	PNN SA 100%
Li Brine	La Maderita	19607	Mina	Lithium	4-Aug-17	17 Oct 17	3,000	PNN SA 100%
Li Brine	Sisifo	20545	Mina	Lithium	22-Feb-18	22 Feb 18	2,000	PNN SA100%
							<b>15,708</b>	
							<b>21,846</b>	

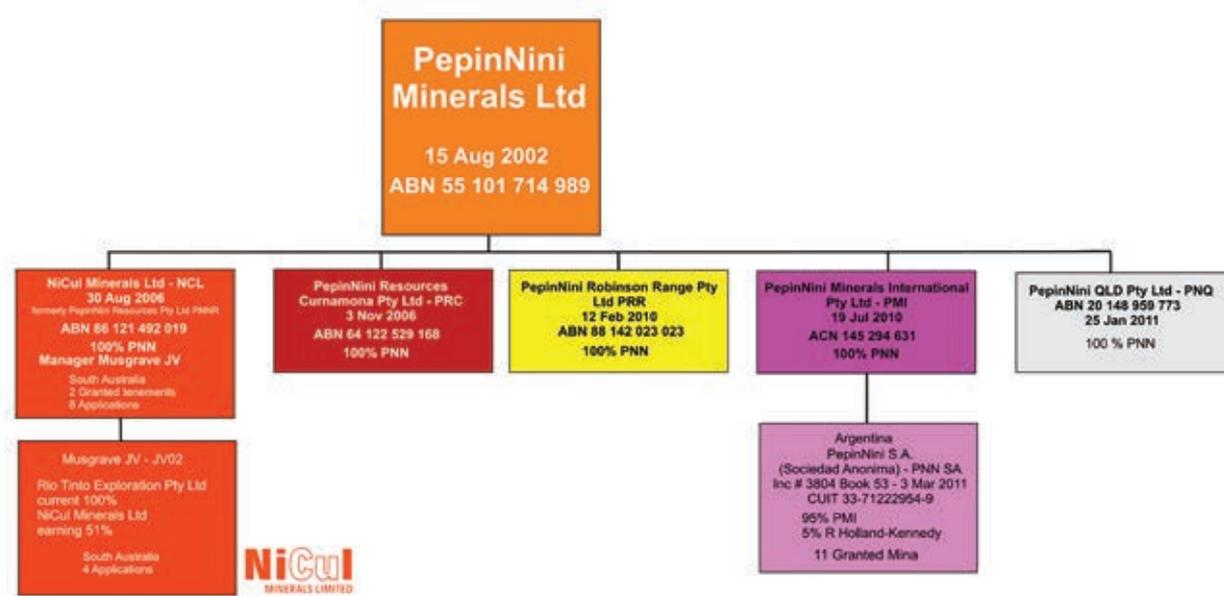
# FINANCIAL AND CORPORATE STRATEGY

PepinNini is a diversified mineral exploration company focussed on securing and proving up mineral resources of commodities with strategic and market value, such as clean energy, and advancing these toward commercialisation with targeted exploration activities. In order to maximise the value of the projects for shareholders PepinNini pursues development either with a strategic joint venture partner or as a wholly owned subsidiary of PepinNini Minerals Ltd.

Our mission is to:

- focus on commodities of strategic market value;
- explore with utmost integrity, inclusiveness, equality and fairness;
- respect the land, culture and society of the indigenous peoples;
- care and respect for people who engage with PepinNini;
- have meaningful community engagement and seek community participation; and
- have fun exploring for and developing mineral resources.

The chart below gives an overview of the subsidiaries that administer the Company's projects as at 30 June 2020.



The corporate strategy to achieve our mission has been to, where possible, realise value within the holdings of the Company and to fund effective exploration activities within key priority project areas for key commodities to maximise value.

Strategic equity raisings of additional capital have been and will be undertaken to ensure adequate funding for worthy ongoing activities. Divestment of non-core assets to minimise depletion of cash reserves will continue.

Maintaining financial discipline, regulatory compliance and effective project administration underpins the corporate strategy.

The Annual Financial Report for the year ended 30 June 2020 is included within the Annual Report.

At 30 June 2020, the Company had cash reserves of \$148,034 and director loan debt of \$50,000.

Private placements during the year raised \$0.7m.

Expenditure of \$456,391 on exploration activities throughout the year was capitalised.

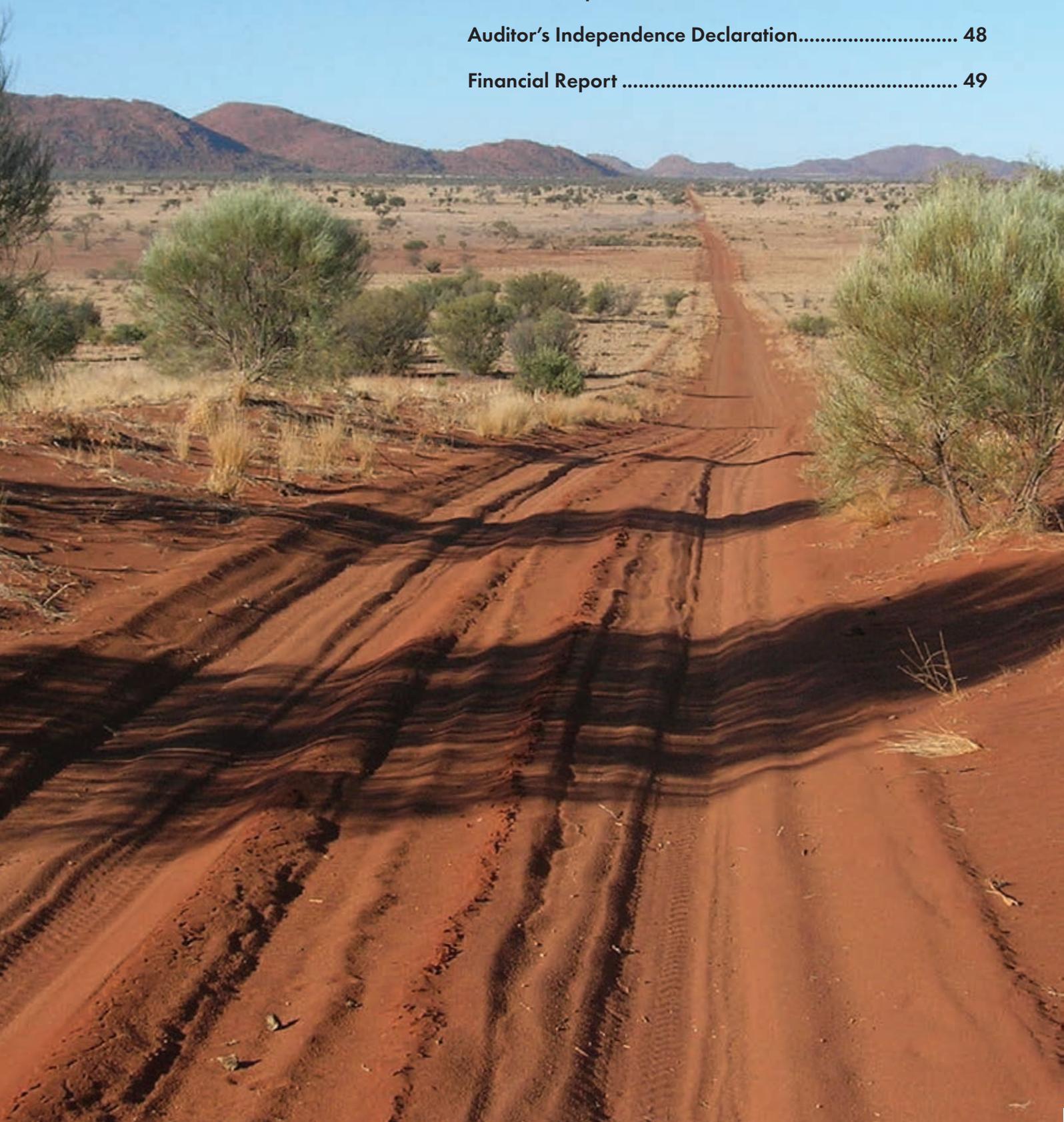
PepinNini Directors consider the Musgrave Nickel-Copper-Cobalt Project in Australia to have potential for a significant mineral discovery and the lithium brine project in Argentina to have the potential for development and production of battery grade Lithium Carbonate in future.

PepinNini has a strategic intent to acquire new projects for strategic minerals to provide additional investor interest and ultimately investor return.

# FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2020

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# CORPORATE GOVERNANCE STATEMENT

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PepinNini Minerals Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

A description of the Company's main corporate governance practices is set out in the Corporate Governance Statement which is available on the company's website at <http://www.pepinnini.com.au/about-us/corporate-governance/>. The corporate governance statement is current as at 30 June 2020 and has been approved by the Board. All of these practices, unless otherwise stated, were in place for the entire year.

# DIRECTOR'S REPORT

The Directors of PepinNini Minerals Limited (PepinNini, PNN or the Company) submit herewith the annual financial report of the consolidated group consisting of PepinNini Minerals Limited and the entities it controlled (the Group) at the end of, or during, the year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

## Directors

The following persons were Directors of PepinNini Minerals Limited during the whole of the financial year and up to the date of this report, except as otherwise noted:

- Rebecca Holland-Kennedy
- Phil Clifford (Resigned 30 June 2020)
- Sarah Clifton-Brown (Resigned 5 March 2020)
- James Allchurch (Appointed 1 July 2019 & Resigned 11 November 2019)
- Andre Wessels (Appointed 9 March 2020)
- George Cumplido (Appointed 23 June 2020 & Resigned 7 August 2020)
- Luis Kennedy (Appointed 7 August 2020)

## Principal activities

During the year the principal continuing activities of the Group consisted of exploration for

- Lithium
- Copper
- Nickel
- Gold

## Dividends

No dividends have been paid for the year ended 30 June 2020 or 30 June 2019.

No further dividends have been declared up to the date of this report.

## Review of operations

During the year the Company returned its strategic focus to that of a diversified explorer by progressing both the Nickel Copper Project in Australia and the Lithium Brine Project in Argentina, maintaining the Copper-Gold Project in Argentina and actively seeking new projects for other commodities including Gold. Due to the COVID-19 Pandemic from March 2020 to date access to exploration tenure held by the Company in Australia and Argentina has been denied consequently non-field activities have been pursued.

## Australia

### Musgrave Province Nickel/Copper/Cobalt Project

The Musgrave project located in the far north west of South Australia comprises exploration for Nickel-Copper-Cobalt minerals. NiCul Minerals Ltd(NCL) a wholly owned subsidiary of PNN is targeting Nickel- Copper-Cobalt minerals. The project comprises two sub-projects:

- a) Tenure of 14,003km<sup>2</sup> 100% owned by NCL covering 2 granted Exploration Leases(EL's)and 8 Exploration Lease Applications(ELA's)
- b) Tenure of 615km<sup>2</sup> comprising 4 ELA's in which NCL is earning a 51% interest pursuant to a Farm-in and Joint Venture agreement with Rio Tinto Exploration Pty Ltd(RIO)

During the year the Company continued to negotiate with the traditional owners the Anangu Pitjantjatjara Yankunytjatjara(APY) for access and application granting for both projects. A number of geophysical targets were defined from a collaborative airborne electromagnetic survey(AEM) flown in 2016 – 2017 which occur on both granted and application tenure held by NCL. The collaboration was between PNN, CSIRO, Geoscience Australia and SA Dept of Energy and Mines. The Company plan to drill test these targets once access is granted and COVID-19 travel restrictions are lifted.

In relation to sub-project (b) NCL as operator on behalf of the project participants, NCL and RIO, have been informed by the APY Lands Executive Board that they have approved progressing the negotiation of an Exploration Deed with the traditional owners to facilitate the granting of exploration licence application ELA 2015/00214. This ELA covers 37km<sup>2</sup> and includes the Pink Slipper geophysical target. Work has been undertaken by APY legal and cultural liaison officers to progress agreement of the Exploration Deed. Once the Deed is agreed and executed by APY, RIO and NCL, an Exploration Licence can be granted by the South Australian Minister for Energy and Mines. Due to COVID-19 restrictions RIO has agreed an extension to the farm-in period for NCL until 31 December 2021. Following the successful granting of an EL and the lifting of COVID-19 travel restrictions, NCL plans to drill test the Pink Slipper geophysical target.

## Argentina - Salta Project

### Salta Lithium Brine Projects

The project consists of seven mining leases(mina) totalling 15,708 hectares prospective for lithium brine aquifers associated with drilled salt lakes(salares), in the western part of Salta Province, NW Argentina. The tenure is held by PepinNini subsidiary PepinNini SA(PNN SA).

Tenure was reduced since June 2019 as two minas were relinquished due to lack of prospectivity. A lithium brine

resource (Lithium Carbonate Equivalent LCE) which is JORC 2012 compliant was reported from two minas; ASX announcement: 27 July 2018 and 23 January 2019.

During the year exploration was completed in the form of brine sampling from 15 surface trenches on the Incahuasi Salar Project. Brine was sampled and analysed returning a maximum lithium grade of 203 milligrams per litre (mg/l). Due to resource size and lower lithium grades, test work was undertaken using actual data from brines sampled during resource drilling on minas over Pular and Rincon salares and surface trench sampling on Incahuasi salar.

The test work involved the blending of brines from all three deposits using computer simulation. The results indicated that the chemistries of the Rincon and Incahuasi salt lakes (salar) were demonstrated to be highly complementary, with the Rincon brine being high in sulphate (SO<sub>4</sub>) and the Incahuasi brine being high in calcium (Ca). With the blending of these brines, the gypsum (CaSO<sub>4</sub>) contaminate was precipitated out, resulting in high-grade 3.05% lithium brine concentrate through evaporation (ASX announcement 13 July 2020). The simulation indicated that contaminates reduced in this way would create an enriched brine with a very low contamination ratio of magnesium:lithium ratio at 1.02:1.

PNN is now planning a second stage of test work, in the context of its overall portfolio of projects, funding priorities and COVID-19 restrictions, to undertake the next stage of beneficiation studies involving laboratory bench test-scale studies to validate the high-grade stage one results.

### **Salta Copper-Gold Projects**

The project is comprised of four mining leases (mina) of 6,138 hectares and is located in NW Salta province close to the border with Chile. During the year no exploration was carried out on the leases. Statutory reporting and mining lease payments were maintained to keep the leases in good standing. The project is located 80km from the large Escondida Copper Gold project in Chile owned by BHP and RIO.

### **Project Generation**

Project Generation throughout the year has focussed on the acquisition of a gold project with a gold resource and the possibility of near term gold production to provide cash flow revenue to the Company. Two projects were evaluated under binding term sheets, one in South Australia (ASX announcement 24 December 2019 and the second in Queensland (ASX announcement 20 April 2020). Independent due diligence for each of these two projects highlighted risks that were deemed high relative to potential returns. PNN Directors considered that under the circumstances the investments were not in the best interests of the Company and shareholders so term sheet agreements were terminated. The Company continues to seek an appropriate investment opportunity in an alternate commodity, preferably gold.

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

### **Changes in state of affairs**

There was no significant change in the state of affairs of the Group during the financial year, other than what has been reported in other parts of this report.

### **Matters subsequent to the end of the financial year**

Matters subsequent to the end of the financial year are disclosed in note 20 to the financial statements.

Likely developments in future financial years and expected results of operations

The Group intends to continue advance its portfolio of existing projects, including:

- actively explore and develop its Australian tenements of the Musgrave Project
- Advance to drill testing the Pink Slipper geophysical anomaly in the joint venture with RIO.
- Maintain the lithium brine projects in Salta Province, Argentina and continue to explore suitable methodology for LCE production from the resources reported from the Company's Projects.

During the coming year the Company will continue its strategic focus to secure additional projects with strategic minerals such as gold, with potential to add value and generate revenue.

### **Environmental regulations**

The mining tenure granted to the Group pursuant to the various Mining Acts is granted subject to conditions which include standard environmental requirements. The Group adheres to these conditions and the Directors are not aware of any contraventions of these regulations.

## Information on Directors

The particulars of the Directors of the Company during or since the end of the financial year are:



### REBECCA HOLLAND-KENNEDY

**Executive Director - Managing Director**

**Qualifications:** BSc(Geology), MAusIMM, BArts(Humanities), GAICD

**Experience:** Rebecca Holland-Kennedy was a founding Director of PepinNini Minerals Limited and has been a board member since 2002. She also held the position of Company Secretary from 2002 to 6 May 2013. She has more than 30 years' experience in exploration company administration and data management. She has held positions with Robertson Research, Macquarie University, NSW Department of Mines and Energy as well as acting as exploration and data management consultant to AGL, Amax, BHP, AGIP, Shell, CRA, Caltex and Meekatharra Mineral Limited. She is a Director of NiCul Minerals Ltd, PepinNini Robinson Range Pty Ltd, PepinNini QLD Pty Ltd, PepinNini Minerals International Pty Ltd and PepinNini Resources Curnamona Pty Ltd.



### SARAH CLIFTON-BROWN

**Executive Director - Finance Director**

**(Changed from Executive to Non-Executive Director on 1 November 2020. Resigned 5 March 2020)**

**Qualifications:** BArts(Hon) Accountancy, FCCA, GAICD

**Experience:** Ms Clifton-Brown was appointed a Director of the Company on 11 December 2014. She is a Fellow of the Association of Chartered Certified Accountants, a graduate member of the Australian Institute of Company Directors and has worked with the Company since May 2013. With over 13 years' experience in Australia and the United Kingdom, she brought to PepinNini Minerals Limited considerable knowledge and expertise in financial reporting, compliance and company management. She was until her resignation a Director of PepinNini Resources Curnamona Pty Ltd, PepinNini Minerals International Pty Ltd and NiCul Minerals Ltd.



### PHIL CLIFFORD

**Non-Executive Director**

**(Changed from Executive to Non-Executive Director on 1 October 2017. Resigned 30 June 2020)**

**Qualifications:** BSc(Geology), MAusImm

**Experience:** Phil Clifford was appointed a Director of the company on 9 April 2013. Phil Clifford was Exploration Manager for PepinNini Minerals Limited since 2004 in charge of the South Australian Musgrave and Curnamona Projects and the Company's West Australian iron ore joint venture project at Robinson Range. Before joining PepinNini Minerals Limited he was a project geologist and team leader with CRA Exploration and Rio Tinto Exploration for 15 years in projects exploring for magmatic nickel sulphide, PGE's, gold, diamonds, base metals, uranium and coal. He was until his resignation a Director of NiCul Minerals Ltd, PepinNini QLD Pty Ltd and PepinNini Robinson Range Pty Ltd.



### JAMES ALLCHURCH

**Non-Executive Director**

**(Appointed 1 July 2019 & Resigned 11 November 2019 )**

**Qualifications:** BSc Hons (Geography) Member of AIG

**Experience:** Mr Allchurch, is a geologist, with experience and expertise in mineral exploration, resource project generation and evaluation and mining and exploration project development in Australia and overseas. He was formerly Managing Director of Monto Minerals Ltd(ASX:MOO) from 2012 to 2016 and a Non-executive Director of Bligh Resources (ASX:BGH) from 2016 to 2017. He is currently MD of Mandrake Resources Ltd(ASX:MAN)



### CHRISTIAAN ANDRIES(CALL NAME 'ANDRE') WESSELS

**Non-Executive Director**  
(Appointed 9 March 2020)

**Qualifications:** BEng(Industrial), MBA, MAusIMM, GAICD

**Experience:** Andre Wessels has more than 28 years professional experience within multiple industries across mining (iron ore, coal, aggregates, manganese, copper, gold and lithium brine), metals, engineering, technology and services in many countries. Held significant leadership roles, including executive and non-executive director roles, in public and private companies.

He was formerly Vice President of Rincon Ltd, responsible for managing Rincon Mining Ltd, a subsidiary of Rincon Ltd, to advance the commercialisation of the lithium brine direct extraction project. Included delivery of DFS, FEED, tender preparation and all engineering, as well as administrative office and operation of the Rincon Salar Lithium Carbonate(LCE) demonstration plant in Salta Province, Argentina. Previously Mr Wessels was CEO for Era Resources Inc copper-gold project in PNG and served as a Non-Executive Director for TSX-V listed Meridian Mining SE with a manganese mining operation in Brazil. He is an independent company director, corporate advisor and consultant and a Director for NiCul Minerals Ltd and PepinNini Minerals International Pty Ltd..



### GEORGE CUMPLIDO

**Non-Executive Director**  
(Appointed 23 June 2020 & Resigned 7 August 2020)

**Qualifications:** B.App.Sc(Hons)App.Geology, Cert.Finance, AusIMM

**Experience:** George Cumplido is a geologist with more than 25 years' experience in the global resources industry, which includes roles with major mining houses and junior resource companies across a diverse range of commodities. He has extensive experience in managing projects from inception to production, and more recently in delivering sustainable productivity improvements to projects.

He was formerly Senior Commercial Manager with Rio Tinto Exploration (RTX) for a period of six years. This included Rio's project area in the Musgrave district in South Australia, which is subject of the Musgrave Farm-in Joint Venture Agreement between PepinNini and RTX.

He has a B.App.Sc(Hons)App.Geology and a Certificate in Finance, is a Member of AusIMM, a Member of the Geol Soc. Aus, a Member of Aus.Ins.Geoscientists and a Member of the Geostatistical Assoc. of Aus.



### LUIS KENNEDY

**Non-Executive Director**  
(Appointed 7 August 2020)

**Qualifications:** B.Commerce, B.LLB, CA, Certificate Turnaround Restructuring

**Experience:** Luis Kennedy is a qualified lawyer and Chartered Accountant and is the son of founding Director Norman Kennedy and currently a Manager, Mergers and Acquisitions at Deloitte Australia. Luis has been with Deloitte for over seven years and has had a wide range of experience including Merger and Acquisitions transactions (pre-deal due diligence, separation, carve-outs, post-merger integration), business reviews (independent, pre-lend and debt advisory for Financiers and Private sector clients, funding and financial viability for Public sector clients), and management support and implementation (turnaround, restructuring and project management).

## Directorships of other listed companies

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of Directorship	Stock Exchange
Phil Clifford	-	-	-
Rebecca Holland-Kennedy	-	-	-
Sarah Clifton-Brown	-	-	-
James Allchurch	Bligh Resources Ltd Mandrake Resources Ltd	2016-2017 2019	BGH MAN
Andre Wessels	Meridian Mining SE	June 2018 to December 2018	TSX-V:MNO
George Cumplido	-	-	-
Luis Kennedy	-	-	-

## Directors' shareholdings

The following table sets out each Director's relevant interest in shares, and rights or options in shares of the Group as at the date of this report.

PepinNini Minerals Limited		
Directors	Fully paid ordinary shares (Number)	Share options (Number)
Rebecca Holland-Kennedy	176,011,406	24,933,274
Andre Wessels	-	20,000,000
Luis Kennedy (appointed 7 August 2020)	1,000,000	700,000

## Share options granted to Directors and senior management

During the financial year, share options were issued to James Allchurch, Andre Wessels, and George Cumplido (2019: nil).

## Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
PepinNini Minerals Limited	100,000	Ordinary	10cps	31 January 2021
PepinNini Minerals Limited	4,250,000	Ordinary	4cps	9 November 2020
PepinNini Minerals Limited	1,050,000	Ordinary	5cps	16 March 2021
PepinNini Minerals Limited	300,000	Ordinary	7cps	16 March 2022
PepinNini Minerals Limited	300,000	Ordinary	9cps	16 March 2023
PepinNini Minerals Limited	4,800,000	Ordinary	3.77cps	11 May 2021
PepinNini Minerals Limited	7,218,750	Ordinary	2.7cps	20 Sep 2020
PepinNini Minerals Limited	328,668,703	Ordinary	0.8cps	30 Nov 2022
PepinNini Minerals Limited	20,000,000	Ordinary	0.5cps	09 Mar 2023
<b>Total</b>	<b>366,687,453</b>			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

## Remuneration of Directors and senior management

Information about the remuneration of Directors and senior management is set out in the remuneration report of this Directors' report, on pages 10 to 17

## Company secretary

Justin Nelson was appointed Company Secretary 6 May 2013 and resigned 1 January 2020.

Dom Francese was appointed as the new Company Secretary on the 1 January 2020.

Dom is a Chartered Accountant and a Corporate Governance professional with extensive experience as a Company Secretary of more than 17 years and as Chief Financial Officer for 12 years of ASX listed mining and exploration companies. He has background experience in audit and investigations with a medium sized Chartered Accounting firm and also in regulation and supervision with the Australian Stock Exchange Limited. He is the Company Secretary of NiCul Minerals Ltd, PepinNini Robinson Range Pty Ltd, PepinNini Queensland Pty Ltd, PepinNini Minerals International Pty Ltd and PepinNini Resources Curnamona Pty Ltd.

## Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

Directors	Board of Directors			Corporate governance committee			Audit committee			Remuneration Committee		
	Held	Board Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended
Rebecca Holland-Kennedy	13	13	13	1	1	1	2	1	1	1	1	1
Phil Clifford	13	13	13	1	1	1	2	2	2	1	1	1
Sarah Clifton-Brown	13	10	10	1	1	1	2	1	1	1	1	1
James Allchurch	13	5	5	1	-	-	1	-	-	1	1	1
Andre Wessels	13	4	4	-	-	-	1	-	-	-	-	-
George Cumplido	13	1	1	-	-	-	-	-	-	-	-	-

## Summary of Financial Position

	2020	2019
Total Current Assets	\$354,225	\$1,247,314
Total Non-Current Assets	\$18,080,140	\$17,628,997
Total Current Liabilities	\$399,998	\$410,793
Total Non-Current Liabilities	\$0	\$8,283
Net Assets	\$18,034,367	\$18,457,235
Equity	\$18,034,367	\$18,457,235

The decrease in Current Assets is a result of decreased cash due to reduced fundraising during the year and higher spend evaluating new opportunities.

The increase in Non-current assets is a result of exploration spend during the year.

The decrease in Current Liabilities relates primarily to the decrease in Trade and Other Payables, resulting from ongoing Exploration and Evaluation activities during the year.

## Summary of Financial Performance

Revenue received was mainly a result of Government payments for COVID-19.

Expenses incurred comprise salaries, operational expenditure, and impairment of assets, which do not meet the definition of exploration and evaluation expenditure, and include such expenses as accounting and legal, taxes and charges, depreciation on equipment and right of use assets, and share registry and investor relations expenses. The increase in these expenses is mainly due to additional costs in the year evaluating new projects. There has been no significant change in salaries and Director's fees for the year ended 30 June 2020.

## Remuneration report – audited

This remuneration report sets out remuneration information for PepinNini Minerals Limited's Directors and other key management personnel of the Group.

### Role of Remuneration Committee

The Remuneration Committee is a committee of the Board and is primarily responsible for making recommendations to the board on:

- Non-Executive Director fees
- Executive remuneration (Directors and other executives) and
- Overarching executive remuneration framework and incentive plan.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In doing this, the Remuneration Committee seeks advice as required from independent remuneration consultants.

The corporate governance statement provides further information on the role of this Committee.

The remuneration report is set out under the following main headings:

- (A) Principles used to determine the nature and amount of remuneration
- (B) Executive remuneration policy and framework
- (C) Use of remuneration consultants
- (D) Voting and comments made at the company's 2019 Annual General Meeting
- (E) Performance of PepinNini Minerals Limited
- (F) Details of remuneration
- (G) Service agreements
- (H) Share based compensation
- (I) Shareholdings of Directors and other key management personnel

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

### (A) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices;

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Board has established a Remuneration committee which provides advice on remuneration and incentive policies and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of this Committee.

## Remuneration report (continued)

### Non-executive Directors

Fees and payments to Non-Executive Directors reflect the demands made on, the responsibilities of, and inherent risk to Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board and Non-Executive Directors are remunerated for their services as Directors by a fixed sum and not a commission on a percentage of profits or operating revenue. The total approved remuneration pool from which non-executive remuneration is paid may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to Shareholders. Share options were issued to James Allchurch, Andre Wessels, and George Cumplido (2019: 0). Share options were terminated on the resignation of James Allchurch and George Cumplido. Directors are also entitled to reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any Committee engaged in the Group's business.

### (A) Principles used to determine the nature and amount of remuneration (continued)

#### Directors' fees

The Company's constitution states that Directors are to be paid out of Company funds as remuneration for their services. At the Annual General Meeting of the company in 2004, it was resolved to fix the annual aggregate amount of fees payable to its Directors for Director's duties at \$125,000.

#### Directors' retirement benefits

Any Director may be paid a retirement benefit as determined by the Board, consistent with the Corporations Act and the Listing Rules.

#### Directors' Voting Obligations

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a Director does vote, his or her vote will be not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a General Meeting if permitted by the Corporations Act.

### (B) Executive remuneration policy and framework

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent, and
- Acceptable to shareholders.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation,
- Short-term performance incentives, and
- Long-term incentives through participation in the PepinNini Employee Option Plan.

#### Executive remuneration mix

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a percentage (5%) of the employee's base pay is available as a bonus based on achieving agreed (both individual and Company) key performance indicators. These indicators are decided upon at the beginning of the financial year and assessed at the end of the financial year. The Company indicator is a share price target and the executive indicators relate to leadership, teamwork, competency and proficiency.

#### Base pay and benefits

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion or change in role.

There are no guaranteed pay increases included in any executives' contracts. Executives do not receive any benefits.

## Remuneration report (continued)

### (B) Executive remuneration policy and framework (continued)

#### Superannuation

Employees receive Superannuation Guarantee payments based on the statutory percentage of base salary. No other retirement benefits are provided directly by the Group unless approved by shareholders.

#### Short-term incentives

Executives have the opportunity to earn an annual short term incentive (STI) if predefined targets are achieved. The executive team has an STI opportunity of 5% of TEC. The Company target is share price for the Company and is reviewed annually. The executive targets relate to leadership, teamwork, competency and proficiency.

The Remuneration Committee is responsible for assessing whether KPIs are met. The Committee has the discretion to adjust short-term incentives downwards in light of unexpected or unintended circumstances.

#### Long-term incentives

Long-term incentives are provided to certain employees via the PepinNini Minerals Limited Employee Share Option Plan which was approved by shareholders at the 2011 Annual General Meeting.

The PepinNini Minerals Limited Employee Share Option Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if the employees are still employed by the Company at the end of the vesting period. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The vesting conditions are determined by the Board as a long term employment performance incentive specific to the employee and executive. Once vested, the options are exercisable at points over a period of years determined by the Board. Options are granted under the plan for no consideration.

#### Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy. The policy was issued to the ASX and made available to all shareholders on 29 December 2010.

### (C) Use of remuneration consultants

No remuneration consultants have been used during the financial year to review existing remuneration policies.

### (D) Voting and comments made at the company's 2019 Annual General Meeting

PepinNini Minerals Limited received 49.3% of "yes" votes on its remuneration report for the 2019 financial year, as this was below the required 75% this was the first strike. The Company did not receive any specific feedback at the Annual General Meeting of shareholders of the Company or throughout the year on its remuneration practices.

### (E) Performance of PepinNini Minerals Limited

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2020:

	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Revenue	55	1	35	17	57
Net (loss) / profit before tax	(974)	(1,306)	(1,313)	(859)	(2,479)
Net (loss) / profit after tax	(985)	(1,374)	(1,329)	(954)	(2,502)
Attributable to members of PepinNini Minerals Limited	(985)	(1,374)	(1,329)	(954)	(2,502)
Share price at start of year	\$0.003	\$0.019	\$0.016	\$0.031	\$0.017
Share price at end of year	\$0.001	\$0.003	\$0.019	\$0.016	\$0.031
Interim dividend	-	-	-	-	-

## Remuneration Report (continued)

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Final dividend	-	-	-	-	-
Basic (loss) / earnings per share	(0.1) cps	(0.2) cps	(0.3) cps	(0.3) cps	(1.1) cps
Diluted (loss) / earnings per share	(0.1) cps	(0.2) cps	(0.3) cps	(0.3) cps	(1.1) cps
Short term incentive (% of maximum)	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

The Performance Incentive Program for the 2019/20 year was based on the achievement of Corporate Objectives as well as Individual Objectives. The Corporate objectives include QHSE (quality, health, safety and environmental) targets. The performance measures do not take into account the performance of the Company over more than the current year. The payment of the short term incentive is at the discretion of the Board. The short-term incentive (Cash Bonus) as a percentage of the maximum available and the earnings per share for the current year and the previous four years are set out in the table above.

### (F) Details of remuneration

#### Amounts of remuneration

Details of the remuneration of the Directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of PepinNini Minerals Limited and the PepinNini Minerals Limited Group are set out in the following tables. The key management personnel of the Group are the Directors of PepinNini Minerals Limited (see page 6 above).

#### Key management personnel of the Group

2020 Shortterm employee benefits					Post employment benefit	Long term benefits	Termination benefits	Equity-settled Sharebased payments	Total
Name	Cash salary and fees	Cash bonus	Non monetary benefits	Other	Super-annuation	Long service leave	Termination benefits	Options	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>									
Rebecca Holland-Kennedy – Managing Director	174,846				15,038	5,966			<b>195,850</b>
<b>Non-Executive Directors</b>									
Sarah Clifton-Brown (Finance Director, NED from 1 Nov 19 resigned 5 Mar 20)	44,460 <sup>1</sup>				4,436	(8,286) <sup>1</sup>			<b>40,610</b>
Phil Clifford (resigned 30 Jun 20)	36,697				3,486				<b>40,183</b>
James Allchurch (appointed 1 Jul 19 resigned 11 Nov 19)	14,118				1,341				<b>15,459</b>
Andre Wessels (appointed 9 Mar 20)	18,022							31,572	<b>49,594</b>
George Cumplido (appointed 23 Jun 20)	769							29,606	<b>30,375</b>
<b>Total Key Management Personnel Compensation (Group)</b>	<b>288,912</b>				<b>24,301</b>	<b>(2,320)</b>		<b>61,178</b>	<b>372,071</b>

James Allchurch was issued options valued at \$32,915 during the financial year. These were not exercised and subsequently forfeited on his resignation as a director, therefore receiving no financial benefit during the financial year

1 As Non-Executive Directors do not receive any benefits; Sarah Clifton-Brown's annual leave was paid out when she changed to a Non-Executive Director on 1 November 2019. Long service leave did not vest, and was not paid out, as the required period of service was not completed.

## Remuneration Report(continued)

2020 Shortterm employee benefits					Post employment benefit	Long term benefits	Termination benefits	Equity-settled Sharebased payments	Total
Name	Cash salary and fees	Cash bonus	Non monetary benefits	Other	Super-annuation	Long service leave	Termination benefits	Options	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>									
Rebecca Holland-Kennedy	178,996				17,005				17,005
Sarah Clifton-Brown	101,920				9,682				9,682
<b>Non-Executive Directors</b>									
Phil Clifford	36,697				3,486				3,486
<b>Total Key Management Personnel Compensation (Group)</b>	<b>317,613</b>				<b>30,173</b>	<b>(2,320)</b>		<b>61,178</b>	<b>30,173</b>

The relative proportions of remuneration paid/payable that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk STI		At risk LTI	
	2020	2019	2020	2019	2020	2019
<b>Directors of PepinNini Minerals Limited</b>						
Rebecca Holland-Kennedy	<b>95%</b>	<b>95%</b>	<b>5%</b>	<b>5%</b>	-	-
Phil Clifford	<b>100%</b>	<b>100%</b>	-	-	-	-
Sarah Clifton-Brown	<b>100%</b>	<b>95%</b>	-	<b>5%</b>	-	-
Andre Wessels	<b>100%</b>	-	-	-	-	-
George Cumplido	<b>100%</b>	-	-	-	-	-
James Allchurch	<b>100%</b>	-	-	-	-	-

No Director or member of senior management appointed during the period received any payments during the year other than those detailed above.

### (G) Service agreements

Rebecca Holland-Kennedy (Executive Director - Managing Director) has a contract for service, details of which are outlined as follows:

- She is required to work five days a week;
- Her current salary inclusive of superannuation is \$200,000 per year;
- Her contract commenced on 9 April 2013;
- Termination may be made by either party on providing six months' notice;
- Termination benefits payable upon termination to Mrs Holland-Kennedy are six months' pay.

Rebecca Holland-Kennedy has elected to reduce contracted salary, her salary under this arrangement is set at \$160,000 including superannuation. During the year Rebecca has accrued salary for April, May and June rather than be paid to preserve cash reserves.

## Remuneration Report(continued)

### (H) Share based compensation

#### Options

An employee share option scheme has been established whereby PepinNini Minerals Limited may, at the discretion of management, grant options over the ordinary shares of PepinNini Minerals Limited to Directors and executives as part of a remuneration package offered for employment. The options so issued are for nil consideration and have variable exercise prices and expiry dates, i.e. last date to exercise the options.

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date	Number of Options at Grant Date
(1) 01 July 2019	01 July 2019	30 June 2023	\$0.005	\$0.0022	15,000,000
(2) 09 March 2020	09 March 2020	09 March 2023	\$0.005	\$0.0016	20,000,000
(3) 22 June 2020	22 June 2020	22 June 2023	\$0.005	\$0.0015	20,000,000

Options granted under the plan carry no dividend or voting rights.

**Each option is convertible into one ordinary share on exercise. Options may be exercised at any time from the date of vesting to the date of their expiry.**

Details of options over ordinary shares in the Group provided as remuneration to each Director of PepinNini Minerals Limited and each of the key management personnel of the Group are set above. Further information on the employee share option scheme is set out in note 13 to the financial statements.

Options granted as compensation during the year were for new directors (1) James Allchurch (subsequently lapsed on his resignation), (2) Andre Wessels, and (3) George Cumplido (subsequently lapsed on his resignation in August 2020..

Options were granted to directors as remuneration in 2020 with a weighted average fair value of \$0.0017. The weighted average fair value of options granted during 2019 was zero. These values were calculated using the Black-Scholes option pricing model.

Dividend yield and weighted average share price have also been used as inputs into the Black Scholes Valuation model in order to determine the fair value of share options granted.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

2020 Name	Value of options granted during the year \$	Value of options exercise during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
<b>Directors of PepinNini Minerals Limited</b>				
Sarah Clifton-Brown (resigned 05 Mar 20)	-	-	(1,000)	0%
Andre Wessels (appointed 9 Mar 20)	31,572	-	-	64%
George Cumplido (appointed 23 Jun 20)	29,606	-	-	97%
James Allchurch (appointed 01 Jul 19 resigned 11 Nov 19)	32,915	-	(32,915)	68%

The number of options over ordinary shares in the company held during the financial year by each director, and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2020 Name	Balance at start of the year or date of appointment (number)	Granted as compensation (number)	Exercised (number)	Other changes (number)	Balance at end of the year or date of resignation (number)	Vested and exercisable (number)	Unvested (number)
<b>Directors of PepinNini Minerals Limited</b>							
<b>Options</b>							
Rebecca Holland-Kennedy	24,933,274	-	-	-	24,933,274	24,933,274	-
Phil Clifford (resigned 30 Jun 20)	1,500,000	-	-	-	1,500,000	1,500,000	-
Sarah Clifton-Brown (resigned 05 Mar 20)	1,750,000	-	-	(200,000)	1,550,000	1,500,000	-
Andre Wessels (appointed 9 Mar 20)	-	20,000,000	-	-	20,000,000	20,000,000	-
George Cumplido (appointed 23 Jun 20)	-	20,000,000	-	-	20,000,000	20,000,000	-
James Allchurch (appointed 01 Jul 19 resigned 11 Nov 19)	38,748,750	15,000,000	-	(15,000,000)	38,748,750	38,748,750	-
<b>Other key management personnel of the Group</b>							

55,000,000 options were granted to Directors of PepinNini Minerals Limited during the year ended 30 June 2020 (2019: nil). 15,000,000 subsequently lapsed during the financial year on 11 November 2019, upon the resignation of James Allchurch (2019: nil). 200,000 options expired during the year (2019: 200,000).

There were 64,933,274 unissued ordinary shares held by Directors of PepinNini Minerals Limited and other key management personnel of the group under option at the end of the year.

No option holder has any right under the options to participate in any other share issue of the Group.

No ordinary shares in the Company were issued as a result of the exercise of remuneration options by Directors of PepinNini Minerals Limited and other key management personnel of the Group for the 30 June 2020 financial year, 1,000,000 shares issued for the 30 June 2019 financial year.

**(I) Shareholdings of Directors and other key management personnel**

The number of shares in the company held during the financial year by each Director of PepinNini Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2020 Name	Balance at the start of the year or date of appointment #	Received during the year on the exercise of options #	Other changes during the year #	Balance at the end of the year or date of resignation #
<b>Directors of PepinNini Minerals Limited</b>				
<b>Ordinary shares</b>				
Rebecca Holland Kennedy	146,599,641	-	29,411,765	176,011,406
Phil Clifford (resigned 30 Jun 20)	600,000	-	-	600,000
Sarah Clifton-Brown (resigned 05 Mar 20)	412,000	-	588,236	1,000,236
James Allchurch (appointed 01 Jul 19 resigned 11 Nov 19)	19,997,500	-	-	19,997,500
Andre Wessels (appointed 09 Mar 20)	-	-	-	-
George Cumplido (appointed 23 Jun 20)	-	-	-	-
<b>Other key management personnel of the Group</b>				
<b>Ordinary shares</b>				
None				

**(J) Other Transactions with Directors and other key management personnel**

Kalinda Outlook Pty Ltd, a company of which Rebecca Holland-Kennedy is a director, advanced a loan during the 18/19 financial year to the company in the amount of \$122,000, this loan was repaid in full during 19/20 following a vote of shareholders. A further loan of \$50,000 was provided by George Holland Pty Ltd during the 19/20 financial year. Rebecca Holland-Kennedy is also director of George Holland Pty Ltd. The loan is unsecured with an initial term 12 months from the date of receipt of the funds. Interest is payable at 3%. The loan is expected to be settled within 12 months of the end of the financial year, so is classified as Borrowings under current liabilities in the Financial Report.

**End of Audited Remuneration Report**

## Indemnification of officers and auditors

PepinNini Minerals Limited has entered into standard deeds of indemnity and access with each of the Directors. By these deeds, the Company has undertaken, consistent with the Corporations Act 2001, to indemnify each Director in certain circumstances and to maintain Directors' and officers' insurance cover in favour of the Director for seven years after the Director has ceased to be a Director. The Company has paid a premium for the period 1 July 2019 to 1 July 2020 to insure the Directors and officers of the Company, and a new premium covering to 1 July 2021 has been paid in July 2020. In accordance with the terms and conditions of the insurance policy, the amount of the premium paid has not been disclosed on the basis of confidentiality, which is permitted under section 300(9) of the Corporations Act 2001.

No indemnity was given in respect of the auditor, and no insurance premium was paid for such an indemnification.

### Proceedings on behalf of the Company

There are no proceedings on behalf of the Company at the date of this report.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### Non-assurance services

BDO Audit (SA) Pty Ltd did not provide any non-assurance services during the year ended 30 June 2020.

Details of amounts paid or payable to the auditor BDO Audit (SA) Pty Ltd for assurance services provided during the year by the auditor are outlined in Note 21 to the Financial Statements.

## Auditor

BDO Audit (SA) Pty Ltd were appointed auditors on 15th January 2016.

## Auditor's independence declaration

The auditor's independence declaration is included on page 19 of the annual financial report.

## Resolution of Directors

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Rebecca Holland-Kennedy  
Managing Director  
Sydney  
17 September 2020



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AUSTRALIA

**DECLARATION OF INDEPENDENCE  
BY ANDREW TICKLE  
TO THE DIRECTORS OF PEPINNINI MINERALS LIMITED**

As lead auditor of PepinNini Minerals Limited for the year ended 30 June 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 17 September 2020

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## Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2020

	Note	Consolidated	
		2020 \$	2019 \$
<b>Revenue from Continuing Operations</b>	8	<b>1,941</b>	<b>1,325</b>
<b>Other Income</b>	8	<b>52,959</b>	
<b>Expenses</b>			
Depreciation expense	7	(1,260)	(2,502)
Salary & employment costs	9	(407,420)	(330,687)
Operating expenses		(174,085)	(195,509)
Operating lease rental expense		-	(14,008)
Share Registry		(61,369)	(68,991)
Airfares		(15,120)	(19,817)
Professional fees		(134,452)	(35,893)
Currency Loss		(126,539)	(89,562)
Insurance		(21,585)	(33,413)
Bank Charges and State Taxes		(7,538)	(17,818)
Legal fees		(39,842)	(4,423)
Impairment of exploration asset		(39,881)	(494,383)
<b>Total expenses</b>		<b>(1,029,091)</b>	<b>(1,307,006)</b>
<b>Loss before tax</b>		<b>(974,191)</b>	<b>(1,305,681)</b>
Income tax benefit/(expense)	11	(10,540)	(68,215)
<b>Loss for the year</b>		<b>(984,731)</b>	<b>(1,373,896)</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 Loss for the year</b>		<b>(984,731)</b>	<b>(1,373,896)</b>
Attributable to:			
Members of PepinNini Minerals Limited		(984,731)	(1,373,896)
		<b>(984,731)</b>	<b>(1,373,896)</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the company:</b>			
Basic loss (cents per share)	13	(0.1)	(0.2)
Diluted loss (cents per share)	13	(0.1)	(0.2)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position as at 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	3	148,034	915,655
Trade and other receivables	10	201,310	327,616
Prepayments		66	4,043
Right of Use asset		4,816	
<b>Total current assets</b>		<b>354,226</b>	<b>1,247,314</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	5	18,077,365	17,620,973
Exploration bonds		-	3,990
Property, plant and equipment	7	2,774	4,034
<b>Total non-current assets</b>		<b>18,080,139</b>	<b>17,628,997</b>
<b>Total assets</b>		<b>18,434,365</b>	<b>18,876,311</b>
<b>Current liabilities</b>			
Trade and other payables		142,581	123,029
Lease Liability		8,278	-
Annual and long service leave		199,139	165,764
Borrowing Related Party		50,000	122,000
<b>Total current liabilities</b>		<b>399,998</b>	<b>410,793</b>
<b>Non-Current liabilities</b>			
Provisions		-	8,283
<b>Total Non-current liabilities</b>		<b>-</b>	<b>8,283</b>
<b>Total liabilities</b>		<b>399,998</b>	<b>419,076</b>
<b>Net assets</b>		<b>18,034,367</b>	<b>18,457,235</b>
<b>Equity</b>			
Issued capital	12	31,553,476	31,105,226
Reserves	12	820,729	707,116
Retained earnings	12	(14,339,838)	(13,355,107)
<b>Total Equity attributable to equity holders of the Company</b>		<b>18,034,367</b>	<b>18,457,235</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity for the financial year ended 30 June 2020

Consolidated	Issued Capital Note 11(a)		Reserves Note 11(a)			Retained Earnings Note 11(a)	
	Fully paid ordinary shares	Fully paid options	Prepaid share reserve	Equity settled employee benefits reserve	Share Based Payments Reserve	Retained earnings	Total attributable to equity holders of the Company
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	27,620,618	553,623	303,239	594,444	-	(11,981,211)	17,090,713
Loss for the year	-	-	-	-	-	(1,373,896)	(1,373,896)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-	(1,373,896)	(1,373,896)
Issue of shares, net of transactions costs and tax (note 12(a))	2,930,985	-	(303,239)	-	112,672	-	2,740,418
<b>Balance at 30 June 2019</b>	30,551,603	553,623	-	594,444	112,672	(13,355,107)	18,457,235
<b>Balance at 1 July 2019</b>	30,551,603	553,623	-	594,444	112,672	(13,355,107)	18,457,235
Loss for the year	-	-	-	-	-	(984,731)	(984,731)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-	(984,731)	(984,731)
Issue of shares, net of transaction costs and tax (note 12(a))	448,250	-	-	-	-	-	448,250
Employee share options	-	-	-	-	113,613	-	113,613
<b>Balance at 30 June 2020</b>	30,999,853	553,623	-	594,444	226,285	(14,339,838)	18,034,367

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

## Consolidated statement of cash flows for the financial year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(735,377)	(1,107,960)
Receipts in the course of business (inclusive of GST)		-	-
Covid 19 Government funding		40,432	-
<b>Net cash (used in) operating activities</b>	<b>3</b>	<b>(694,945)</b>	<b>(1,107,960)</b>
Cash flows from investing activities			
Interest received		1,941	1,324
Payments for exploration and evaluation activities		(480,019)	(733,028)
Payments for property, plant and equipment			(275)
Proceeds from disposal of property, plant and equipment		12,527	-
<b>Net cash provided by / (used in) investing activities</b>		<b>(465,551)</b>	<b>(731,979)</b>
Cash flows from financing activities			
Proceeds from issues of equity securities		528,470	2,241,377
Costs of issuing shares		(38,325)	
Proceeds from Director Loans		50,000	122,000
Repayment of Director Loans		(122,000)	-
Repayment of lease liabilities		(24,380)	-
Payment of interest on lease liabilities		890	
Proceeds from issue of convertible notes		-	40,000
<b>Net cash provided by financing activities</b>		<b>392,875</b>	<b>2,403,377</b>
Net increase / (decrease) in cash and cash equivalents		<b>(767,621)</b>	<b>563,438</b>
Cash and cash equivalents at the beginning of the financial year		<b>915,655</b>	<b>352,079</b>
Net foreign exchange differences on foreign cash balances			<b>138</b>
Cash and cash equivalents at the end of the financial year	<b>3</b>	<b>148,034</b>	<b>915,655</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## STRUCTURE OF NOTES AND MATERIALITY

Note disclosures are split into five sections shown below to enable a better understanding of how the Group performed.

### General information

1. General information
2. Significant accounting policies

### The business' performance

3. Cash
4. Leases and right of use assets
5. Exploration and evaluation expenditure
6. Business and geographical segments
7. Property, plant and equipment
8. Revenue and other income
9. Compensation
10. Trade and other receivables
11. Taxation

### Capital

12. Equity
13. Earnings per share
14. Share based payments

### Structures

15. Parent entity information
16. Consolidation
17. Investment in subsidiaries

### Unrecognised items and additional information

18. Related party transactions
19. Financial risk management
20. Commitments for expenditure
21. Subsequent events
22. Remuneration of auditors

Accounting policies and critical accounting judgements applied to the preparation of financial statements have been moved to the relevant section.

Information is only being included in the Notes to the extent that it has been considered material and relevant to the understanding of the financial statements.

**NOTE 1 General information**

This financial report covers the consolidated financial statements for the consolidated entity consisting of PepinNini Minerals Limited (the "Company" or "Parent") and its controlled entities (the "Group" or the "consolidated entity").

The Company's registered office and its principal place of business are as follows:

**Registered office:**

96 Babbage Road  
ROSEVILLE CHASE NSW 2069  
☎: +61 (0)2 9417 6212  
📠: +61 (0)2 9417 3043  
Email: [admin@pepinnini.com.au](mailto:admin@pepinnini.com.au)

Exploration office SA:  
22A Charlotte Street  
SMITHFIELD SA 5114  
☎: +61 (0)8 8254 2044  
📠: +61 (0)8 8254 2033

Principal office:  
Level 1, 6/68 North Terrace  
KENT TOWN SA 5067  
☎: +61 (0)8 8218 5000  
📠: +61 (0)8 8212 5717  
Email: [admin@pepinnini.com.au](mailto:admin@pepinnini.com.au)

PepinNini Minerals Limited was incorporated in Australia and is domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 17 September 2020. The Group has the power to amend and reissue the financial report.

**NOTE 2 Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

The general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. *PepinNini Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.*

**(i) Compliance with IFRS**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

**(ii) Historical cost convention**

These financial statements have been prepared under the historical cost convention.

**(iii) Critical accounting estimates**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

**NOTE 2 Significant accounting policies (continued)**

The Group makes estimates and assumptions concerning the future, the results of which, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the respective notes:

(a) *Reserves and resources (note 5)*

(b) *Deferred tax assets (note 11)*

**(iv) Reclassification**

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified to ensure comparability.

**(v) Going concern**

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. This includes the realisation of capitalised exploration expenditure of \$18,077,365 (30 June 2019: \$17,620,973).

The Group has incurred a loss after tax for the year of \$984,731 (2019: \$1,373,896) and operations were funded by a net cash outflow of \$649,945 (2019: \$1,107,960).

The consolidated entity's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. The matters set out above indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

**(b) Adoption of new and revised Accounting Standards**

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The adoption of these standards did not have any material impact on the current period or any prior period and is not likely to affect future periods.

**(c) New accounting standards and interpretations**

There are no standards issued but not yet effective that are expected to have a material impact on the entity in future reporting periods or on foreseeable future transactions.

**(d) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

**(e) Foreign currency translation****(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is PepinNini Minerals Limited's functional and presentation currency.

**NOTE 2 Significant accounting policies (continued)****(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**THE BUSINESS PERFORMANCE****NOTE 3 Cash**

Cash and cash equivalents at 30 June 2019 was \$148,034 (2019: \$915,655).

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

To manage exposure to credit risk, cash and cash equivalents must have a minimum credit rating of "A".

The Group's weighted average interest rate is 0.05% (2019: 0.50% - 1.73%).

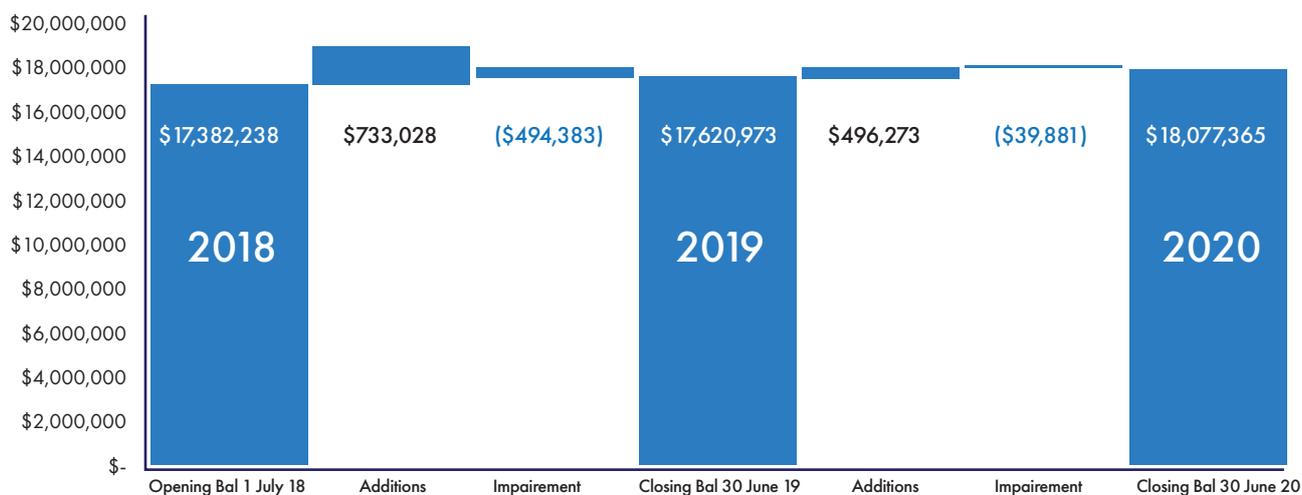
**(a) Reconciliation of loss after income tax to net cash outflow from operating activities, and non-cash activities**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
		<b>\$</b>
Loss for the year after tax	(984,731)	(1,373,896)
<b>Non-cash items</b>		
Depreciation expensed	17,728	2,502
(Gain)/loss on disposal of PPE	(12,527)	-
Impairment of exploration assets	39,881	494,383
Options expense	61,178	-
Foreign Exchange	-	138
<b>Items not classified as operating</b>		
Interest income	(1,941)	(1,323)
Income tax expense	10,540	68,215
<b>Changes in net assets and liabilities</b>		
(Increase) / decrease in assets:		
Trade and other receivables	130,283	39,420
Increase / (decrease) in liabilities:		
Trade and other payables	19,552	(349,622)
Provisions	25,092	12,223
<b>Net cash outflow from operating activities</b>	<b>(694,945)</b>	<b>(1,107,960)</b>

**NOTE 4 Leases and right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities

**NOTE 5 Exploration and evaluation expenditure (E&E)**

The Group capitalises and carries forward E&E incurred (e.g. payments for tenement acquisition and maintenance, analytical, geological, geophysical, exploration related personnel, drilling and results analysis, and an allocation of exploration overhead) where the rights of tenure of the area of interest are current and expenditures are expected to be recouped through:

- I. successful development and commercial exploitation of the area of interest;
- II. or by its sale or exploration;
- III. or evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits an assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost, and have an indefinite life (the useful life ends at an indeterminate time when future decisions are made to sell, transfer, develop and exploit, or discontinue the use of these assets).

The Impairment expense during the year relates a areas of interest in Argentina that will not be progressed any further.

Note 20 details the statutory expenditure commitments for granted exploration tenements.

**Critical accounting estimates and judgements: Impairment of E&E**

**The Group's accounting policy requires management to make certain assumptions as to future events and circumstances. Exploration costs are carried forward based on the accounting policy set out above. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed recoverable amount. Where required, impairment is recorded as impairment of exploration asset in the statement of profit or loss and other comprehensive income.**

**The Group has recognised impairment losses in the year ended 30 June 2020 of \$39,881 (2019: \$494,383).**

**NOTE 6 Business and geographical segments**

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 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 consisting of executive and non-executive Directors.

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current operating assets</b>		
Australia	12,119,562	11,869,671
Argentina	5,957,803	5,759,326
<b>Total</b>	<b>18,077,365</b>	<b>17,628,997</b>

**NOTE 7 Property, plant and equipment**

	<b>Total</b>
	<b>\$</b>
<b>Year ended 30 June 2019</b>	
Opening net book amount	6,591
Additions	-
Disposals	-
Depreciation charge	(2,557)
Closing net book amount	4,034
<b>At 30 June 2019</b>	
Cost	1,410,849
Accumulated depreciation	(1,406,815)
Net book amount	4,034
<b>Year ended 30 June 2020</b>	
Opening net book amount	4,034
Additions	-
Disposals of asset cost	(43,831)
Disposal of accumulated depreciation	43,831
Depreciation charge (a)	(1,260)
Closing net book amount	2,774
<b>At 30 June 2020</b>	
Cost	1,367,018
Accumulated depreciation	(1,364,244)
Net book amount	2,774

**NOTE 7 Property, plant and equipment (continued)**

Plant and equipment is stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Additionally, if an asset's written down value reduces below \$500, it is written off through the statement of profit or loss and other comprehensive income. Gains and losses on disposals are determined by comparing proceeds with carrying amount and included in profit or loss.

**Depreciation expense**

Depreciation on assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

**Plant & equipment – 3 to 4 years or 25% to 33%**

	Consolidated	
	2020	2019
	\$	\$
Total depreciation expensed	<b>17,688</b>	<b>2,502</b>
Depreciation capitalised	<b>12,264</b>	<b>55</b>
Total depreciation	<b>29,952</b>	<b>2,557</b>

**NOTE 8 Revenue and other income**

The Group's revenue for the year is as follows:

	Consolidated	
	2020	2019
	\$	\$
<b>Interest revenue:</b>		
Bank deposits	1,941	1,325
	<b>1,941</b>	<b>1,325</b>
<b>Other income:</b>		
Gain on sale of assets	12,527	-
Government Covid Subsidies	40,432	-
	<b>52,959</b>	-

**Interest income**

Interest income is recognised using the effective interest method.

## Government grants

Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors. Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

During the year COVID-19 resulted in various benefits being available to support business, PepinNini received the Cash Flow Boost which reimbursed PAYG and also Job Keeper payment to support the cost of maintaining the workforce.

Grants for exploration drilling activity within an exploration tenement which has not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, is offset against costs capitalised and where objective evidence of impairment exists, is written off along with the associated costs.

## NOTE 9 Compensation

### (a) Key management personnel compensation

- Rebecca Holland-Kennedy – Managing Director
- Phil Clifford – Non-Executive Director
- Sarah Clifton-Brown – Finance Director/Non-Executive Director
- James Allchurch – Non-Executive Director
- Andre Wessels- Non-Executive Director
- George Cumplido – Non-Executive Director

Other than the Directors, there are no employees directing and controlling the activities of the Group, directly or indirectly, during the financial year that would be considered key management personnel.

Compensation for key management personnel during the year was:

	Consolidated	
	2020	2019
		\$
Shortterm employee benefits	288,912	317,613
Long-term benefits	(2,320)	-
Post employment benefits	24,301	30,173
<b>Share based payments – equity settled</b>	61,178	-
	<b>372,071</b>	<b>347,786</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 18

### (b) Total salary & employment costs

Salaries & wages	417,636	443,644
Employee options expense	61,178	
Defined contribution superannuation expense	37,236	39,981
Salary Cost capitalised to Exploration and Evaluation Asset	(108,630)	(152,938)
	<b>407,420</b>	<b>330,687</b>

**NOTE 9 Compensation (continued)****(i) Wages and salaries, annual leave, long service and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised when it is probable that settlement will be required and they are capable of being measured reliably. Amounts recognised are in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(ii) Defined contribution plans**

Contributions to defined contribution superannuation plans in respect of administrative employees are expensed as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available. Where an employee is involved in exploration activities, the contributions form part of the exploration and evaluation expenditure capitalised for the period during which the expenditure was occurred.

**(iii) Compensation qualifying as exploration and evaluation expenditure**

The Group's policy on the treatment of Exploration and Evaluation Expenditure is detailed at note 4. For employees involved in exploration activities, the expenditure on employee compensation is capitalised as part of the cost of an Exploration and Evaluation Asset when that expenditure meets the definition of Exploration and Evaluation Expenditure.

**(iv) Employee Share Option Scheme**

PepinNini Minerals Ltd has an employee share option scheme as part of its overall compensation arrangement with employees. Details of the scheme are shown at note 13 Share Based Payments.

**NOTE 10 Trade and Other Receivables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST/VAT receivable	201,310	327,616
<b>Trade and other receivables</b>	<b>201,310</b>	<b>327,616</b>

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses.

The trade and other receivables do not have an external credit rating.

**(a) Maturities of trade and other receivables**

Of the total trade and other receivables balance, \$201,310 is expected to mature in less than 12 months (2019: \$327,616).

**NOTE 11 Taxation**

PepinNini Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

This note provides an analysis of the Group's income tax expense, amounts recognised and deferred tax assets and liabilities. The income tax expense of \$10,540 for the year ended 30 June 2020 (2019: \$68,215) represents the tax relating to share issue costs.

Deferred income tax is determined using a tax rate applicable at the end of the reporting period and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income tax expense / (benefit)</b>		
Deferred tax (benefit) / expense	10,540	68,215
	<b>10,540</b>	<b>68,215</b>
Deferred income tax expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets	136,048	133,842
(Decrease) increase in deferred tax liabilities	(125,508)	(65,627)
	<b>10,540</b>	<b>68,215</b>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	<b>(974,191)</b>	<b>(1,305,681)</b>
Tax at the Australian tax rate of 27.5% (2019 27.5%)	(267,903)	(359,062)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Stock compensation	16,824	-
Non-assessable income	30,432	-
Deferred tax assets not recognised as not probable	231,187	427,277
Income tax (benefit) / expense	<b>10,540</b>	<b>68,215</b>
<b>(c) Amounts recognised directly in equity</b>		
Net deferred tax – credited directly to equity	<b>10,540</b>	68,215
<b>(d) Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognised:		
Revenue losses	<b>14,482,089</b>	13,565,368
Capital losses	5,840,532	5,840,532

**NOTE 11 Taxation (continued)**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>The net deferred tax asset comprises temporary differences attributable to:</b>		
<b>Deferred tax assets:</b>		
Fundraising costs	73,398	103,512
Provisions and accruals	54,763	47,864
Tax losses	7,268,099	8,426,531
Deferred tax assets not recognised for unused tax losses	(1,998,623)	(3,305,344)
Deferred tax assets:	5,397,637	5,272,563
<b>Deferred tax liabilities</b>		
Exploration expenditure	(5,396,408)	(5,270,900)
Other	(1,229)	(1,663)
	(5,397,637)	(5,272,563)
<b>Total net deferred tax assets</b>	-	-

**Critical accounting estimates and judgements**

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of net deferred taxes at 30 June 2020 is \$0 (2019: \$0).

## CAPITAL

### NOTE 12 Equity

#### (a) Share capital

Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have no par value and the company does not have a limited amount of authorised capital. All issued ordinary shares carry one vote per share.

	2020		2019	
	No.	\$	No.	\$
<b>Fully paid ordinary shares and fully paid options</b>				
Balance at beginning of financial year	<b>1,238,011,757</b>	<b>31,105,226</b>	<b>533,241,416</b>	<b>28,174,241</b>
Issue of shares <sup>#</sup>	388,639,645	588,470	703,770,341	3,183,496
Share issue costs		(150,760)		(360,726)
Tax effect on issue costs		10,540		68,215
Options exercised			1,000,000	40,000
<b>Balance at end of financial year</b>	<b>1,626,651,402</b>	<b>31,553,476</b>	<b>1,238,011,757</b>	<b>31,105,226</b>

In October 2019 a Share Purchase Plan (SPP) was opened for shareholders to subscribe for share packages up to the value of \$30,000. The SPP closed on 4 December 2020 and raised \$300,000.

On 21 February 2020 a private placement was completed to raise \$50,000 and on 21 May 2020 a second private placement raised \$50,000. On 16 June 2020 a private placement raised \$128,470.

Funds raised were expended on the Musgrave Project, due diligence assessment of potential assets and for general working capital.

#### Reserves and retained earnings

##### (i) Equity Settled Employee Benefits Reserve

The equity-settled employee benefits reserve is used to recognise the fair value at grant date of share options granted to executives and senior employees. The fair value is then expensed over the vesting period of the share options. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

##### (ii) Prepaid Share Reserve

The prepaid share reserve shows cash received for share placement where the shares are not issued before the end of the reporting period.

##### (iii) Retained Earnings

Retained earnings is a category of reserves which shows the accumulated undistributed profits or losses of the group since its inception.

**NOTE 12 Equity (continued)****(b) Capital risk management**

The Group considers its capital to comprise its ordinary share capital and accumulated losses as shown in the Consolidated statement of changes in equity on page 21. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern. To ensure this the group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes to the Group's approach to capital management during the year; the group monitor capital to ensure the company has appropriate cash and cash equivalents to meet needs. The Group is not subject to externally imposed capital requirements.

**NOTE 13 Earnings per share**

Basic earnings per share is calculated by dividing:

- i) the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, and
- ii) the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	<b>Consolidated</b>	
	<b>2020 Cents</b>	<b>2019 Cents</b>
Total basic loss per share attributable to the ordinary equity holders of the company	<b>(0.1)</b>	<b>(0.2)</b>
Total diluted loss per share attributable to the ordinary equity holders of the company	<b>(0.1)</b>	<b>(0.2)</b>
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<b>(984,731)</b>	<b>(1,373,896)</b>

Weighted average number of shares used as the denominator for both basic and diluted loss per share is 1,626,651,402 (2019: 784,567,544). A total of 386,687,453 options (2019: 339,987,453) have not been included in the calculation of diluted loss per share as they are anti-dilutive.

**NOTE 14 Share-based payments**

The total amount for the period arising from transactions accounted for as equity-settled share-based payment transactions was \$113,613 (2019: \$112,672). \$52,435 (2019: \$112,672) was debited directly to issued capital as costs of raising share capital. \$61,178 (2019: \$0) was included in Salary and Employment Costs in the Statement of Profit or Loss and Other Comprehensive Income.

**(a) Employee Share Option Scheme**

PepinNini Minerals Limited has an employee share option scheme. At the discretion of management options are granted over the ordinary shares of PepinNini Minerals Limited to Directors and executives as part of a remuneration package offered for employment. The options so issued are for nil consideration and have variable exercise prices and maturity dates, i.e. last date to exercise the options. Employees must still be employed or engaged by the company on the vesting date, else the option lapses. Directors options if granted on joining the company have the same terms as employee options and continued service is required to hold them. Where director options are granted as a reward for service and shareholder approval received these do not lapse on no longer holding the position.

**NOTE 14 Share-based payments (continued)**

Each employee share option converts into one ordinary share of PepinNini Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The fair value of share-based compensation granted is recognised as an expense or asset as appropriate, with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which the employees or third party become unconditionally entitled to the stock compensation (the vesting period).

The fair value at grant date is determined using market prices for shares and using a Black-Scholes option pricing model for options. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable.

For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

<b>Grant Date</b>	<b>Vesting Date</b>	<b>Expiry Date</b>	<b>Share price at grant date</b>	<b>Exercise price</b>	<b>Expected volatility</b>	<b>Dividend yield</b>	<b>Risk-free interest rate</b>	<b>Fair value at grant date</b>
			<b>Cents</b>	<b>Cents</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>Cents</b>
01 Jul 19	01 Jul 19	30 Jun 23	0.25	0.50	170%	0%	0.31%	0.22
09 Mar 20	09 Mar 20	09 Mar 23	0.20	0.50	171%	0%	0.32%	0.16
22 Jun 20	22 Jun 20	22 Jun 23	0.15	0.50	309%	0%	0.32%	0.15

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No options were exercised during the year ended 30 June 2020 (2019: 1,000,000 )

Weighted average share price on the date of exercise of options during 2020 was N/A (2019: 0.55c).

The weighted average remaining contractual life of share options under the Employee Share Option Scheme outstanding at the end of the period was 19 months (2019: 19 months).

**NOTE 14 Share-based payments (continued)**

Set out below is a summary of options under the Employee Share Option Scheme:

Grant Date	Vesting Date	Expiry Date	Exercise price Cents	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
<b>Consolidated and company – 2020</b>										
10 Nov 14	10 Nov 16	9 Nov 19	10.0	200,000				200,000	-	-
21 Jan 16	21 Jan 17	31 Jan 20	6.0	100,000				100,000	-	-
21 Jan 16	21 Jan 18	31 Jan 21	10.0	100,000					100,000	100,000
10 Nov 17	10 Nov 17	09 Nov 20	4.0	4,250,000					4,250,000	4,250,000
16 Mar 18	16 Mar 18	16 Mar 21	5.0	1,050,000					1,050,000	1,050,000
16 Mar 18	16 Mar 19	16 Mar 22	7.0	300,000					300,000	300,000
16 Mar 18	16 Mar 20	16 Mar 23	9.0	300,000					300,000	300,000
01 Jul 19	01 Jul 19	30 Jun 23	0.5	-	15,000,000	(15,000,000)			-	-
09 Mar 20	09 Mar 20	09 Mar 23	0.5	-	20,000,000				20,000,000	20,000,000
22 Jun 20	22 Jun 20	22 Jun 23	0.5	-	20,000,000				20,000,000	20,000,000
<b>TOTAL</b>				<b>6,300,000</b>	<b>55,000,000</b>	<b>(15,000,000)</b>		<b>300,000</b>	<b>46,000,000</b>	<b>46,000,000</b>
Weighted average exercise price of options				4.8c	0.5c	0.5c		8c	1.0c	1.0c
<b>Consolidated and company – 2019</b>										
10 Nov 14	10 Nov 15	9 Nov 18	6.0	200,000				200,000	-	-
10 Nov 14	10 Nov 16	9 Nov 19	10.0	200,000					200,000	200,000
21 Jan 16	21 Jan 16	31 Jan 19	3.0	100,000				100,000	-	-
21 Jan 16	21 Jan 17	31 Jan 20	6.0	100,000					100,000	100,000
21 Jan 16	21 Jan 18	31 Jan 21	10.0	100,000					100,000	100,000
10 Nov 17	10 Nov 17	09 Nov 20	4.0	5,250,000			1,000,000		4,250,000	4,250,000
16 Mar 18	16 Mar 18	16 Mar 21	5.0	1,050,000					1,050,000	1,050,000
16 Mar 18	16 Mar 19	16 Mar 22	7.0	300,000					300,000	300,000
16 Mar 18	16 Mar 20	16 Mar 23	9.0	300,000					300,000	-
<b>TOTAL</b>				<b>7,600,000</b>			<b>1,000,000</b>	<b>300,000</b>	<b>6,300,000</b>	<b>6,000,000</b>
Weighted average exercise price of options				4.4c			4c	5c	4.9c	4.5c

**NOTE 14 Share-based payments (continued)****(a) Other Share Based Payments**

24,000,000 options were issued during the year for payment of services (2019: 51,000,000).

The weighted average remaining contractual life of share options for Other Share Based Payments outstanding at the end of the period was 31 months (2019: 41 Months).

19,115,687 shares were issued during the year for payment for services (2019: nil). The shares were issued at a price of \$0.0031 which represented the 10 day volume-weighted average price.

**Fair value of options granted**

24,000,000 options were granted in the 2020 financial year (2019:51,000,000). The weighted average fair value of options granted during the year was \$0.0022 per option (2019:\$0.0022).

Grant Date	Vesting Date	Expiry Date	Share price at grant date Cents	Exercise price Cents	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date Cents
27 Sep 19	27 Sep 19	30 Nov 22	0.30	0.80	201%	0%	0.64%	0.22

For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Below is a summary of options for Other Share Based Payments:

Grant Date	Vesting Date	Expiry Date	Exercise price Cents	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
<b>Consolidated and company – 2020</b>										
6 May 19	6 May 19	30 Nov 22	0.8	51,000,000	-	-	-	-	51,000,000	51,000,000
27 Sep 19	27 Sep 19	30 Nov 22	0.8	-	24,000,000	-	-	-	24,000,000	24,000,000
<b>TOTAL</b>				<b>51,000,000</b>	<b>24,000,000</b>	-	-	-	<b>75,000,000</b>	<b>75,000,000</b>
Weighted average exercise price of options				0.8c	0.8c				0.8c	0.8c
<b>Consolidated and company – 2019</b>										
6 May 19	6 May 19	30 Nov 22	0.8	-	51,000,000	-	-	-	51,000,000	51,000,000
<b>TOTAL</b>				-	<b>51,000,000</b>	-	-	-	<b>51,000,000</b>	<b>51,000,000</b>

## STRUCTURE

## NOTE 15 Parent entity information

	Parent	
	2020	2019
	\$	\$
<b>Statement of Financial Position</b>		
Current assets	146,857	916,040
Total assets	<b>12,241,987</b>	<b>13,674,769</b>
Current liabilities	(285,012)	(220,157)
Total liabilities	<b>(328,202)</b>	<b>(343,634)</b>
Shareholders' equity		
Issued capital	31,553,477	31,105,226
Prepaid share reserve	-	-
Equity settled employee benefits reserve	820,728	707,116
Retained earnings	(20,460,420)	(18,481,207)
Total shareholders' equity	<b>11,913,785</b>	<b>13,331,135</b>
<b>Profit or loss for the year</b>	<b>(1,979,213)</b>	<b>(6,366,998)</b>
<b>Total comprehensive income</b>	<b>(1,979,213)</b>	<b>(6,366,998)</b>

The financial information for the parent entity, PepinNini Minerals Limited, disclosed above have been prepared on the same basis as the consolidated financial statements, except as set out below:

**(i) Investments in subsidiaries**

Investments in subsidiaries are accounted for at fair value in the financial statements of PepinNini Minerals Limited.

**(ii) Tax consolidation legislation**

Details of tax consolidation treatment are disclosed in note 10.

The Company has not provided any financial guarantees as at 30 June 2020 and has no contingent liabilities as at 30 June 2020 (2019: none).

**NOTE 16 Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries as at 30 June 2020 and the results for all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

There are no significant restrictions on the ability of PepinNini Minerals Limited to access or use assets, and settle liabilities of any of the controlled entities.

**NOTE 17 Investments in subsidiaries**

Name of subsidiary	Country of incorporation	Ownership interest	
		2020 %	2019 %
NiCuI Minerals Ltd <sup>^*</sup>	Australia	100	100
PepinNini Resources Curnamona Pty Ltd <sup>*</sup>	Australia	100	100
PepinNini Robinson Range Pty Ltd <sup>*</sup>	Australia	100	100
PepinNini Minerals International Pty Ltd <sup>*</sup>	Australia	100	100
PepinNini QLD Pty Ltd <sup>*</sup>	Australia	100	100
PepinNini Sociedad Anonima	Argentine Republic	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

\* These companies are members of the tax-consolidated group. PepinNini Minerals Limited is the head entity within the tax consolidated group.

<sup>^</sup>Name change 26 July 2011 from PepinNini Resources Pty Ltd

## UNRECOGNISED ITEMS AND ADDITIONAL INFORMATION

### NOTE 18 Related party transactions

#### (a) Subsidiaries

Interests in subsidiaries are set out in note 16.

#### (b) Key management personnel

Disclosures relating to key management personnel are set out in note 8.

#### (c) Transactions with related parties

As at 30 June 2020, George Holland Pty Ltd, a company of which Rebecca Holland-Kennedy is a Director held 38,246,700 shares, (2019: 20,599,641), and is the counterparty to PepinNini borrowings of \$50,000.

As at 30 June 2020 Kalinda Outlook Pty Ltd, a company of which Rebecca Holland-Kennedy is a Director held 137,764,706 shares (2019: 126,000,000), and is the counterparty to PepinNini borrowings of \$0 (2019: \$122,000).

#### (d) Terms and conditions

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

Outstanding borrowings balances are unsecured and are repayable in cash. Repayment term is 12 months from commencement, and interest is payable at 3% per annum.

### NOTE 19 Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis of interest rate, foreign exchange and other price risks.

Risk management is carried out by the board of Directors who provide principles for overall risk management.

The Group holds the following financial instruments:

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	3	148,034	915,655
Trade and other receivables	9	201,310	327,616
		<b>349,344</b>	<b>1,243,271</b>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	*	(142,581)	(123,029)
Lease Liability		(8,278)	-
Borrowing related party		(50,000)	(122,000)
		<b>(200,859)</b>	<b>(245,029)</b>

\*Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Most of the Group's financial liabilities are due to be settled within 6 months. Consequently, no discounting has been applied for the time value of money, and the total contractual cash flows are equal to the carrying amounts of trade and other payables.

**NOTE 19 Financial risk management (continued)****(a) Market risk****(i) Commodity price risk**

Changes in commodity prices may impact the Group's projected cash flows in future years and may impact the assessment of the carrying value of its assets. However, given the Company is not yet in production, changes in commodity prices do not currently impact the Group's profit or loss or its cash flows.

**(ii) Interest rate risk**

Exposure arises from assets bearing variable interest rates. With consideration of the cash balance at 30 June 2020 and the Group's intention to hold fixed rate assets to maturity, the impact of interest rate risk is considered to be immaterial.

**(iii) Currency risk**

The group operates internationally and is exposed to foreign exchange risk arising from fluctuations in the United States Dollar and Argentine Peso.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2020 and 2019, the Group had immaterial exposure to foreign currency. As a result financial assets and financial liabilities outstanding as at balance date are not sensitive to changes in exchange rates.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from the Group's receivables, cash and cash equivalents and bank term deposits. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents (note 3) and trade and other receivables (note 9). The Group's maximum exposure to credit risk at the reporting date was \$349,344 (2019: \$1,243,271).

**(c) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	<b>Consolidated</b>		
	<b>&lt; 1 year</b>	<b>&gt;1 - &lt; 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Liabilities</b>			
Trade and Other Payables	142,581	-	142,581
Lease Liabilities	8,278	-	8,278
Related party Loan	50,000	-	50,000
	<b>200,859</b>	<b>-</b>	<b>200,859</b>

**NOTE 19 Financial risk management (continued)****(d) Fair value estimation**

The carrying value of trade receivables and trade payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**(e) Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**NOTE 20 Commitments for expenditure****Capital expenditure commitments**

*Granted exploration tenement statutory expenditure commitments, payable:*

Not longer than 1 year

Longer than 1 year and not longer than 5 years

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
	174,718	746,059
	174,718	-
	<b>349,436</b>	<b>746,059</b>

**NOTE 21 Subsequent events**

An Extraordinary General Meeting (EGM) of the shareholders of the Company was held on 18 August 2020. All Resolutions at the meeting were passed. The outcomes from the Resolutions are:

1. Share placement capacity for fund raising renewed to 10% of issued capital
2. A share consolidation at the ratio of 100 to 1 will be undertaken with timetable outlined in Table 1 below, the number of shares and options detailed in this report are at 30 June 2020 and do not reflect the share consolidation.
3. The Company name will return to PepinNini Minerals Limited

<b>Event</b>	<b>Date</b>
Company announces Consolidation and sends out Notice of meeting	15 July 2020
Extraordinary General Meeting	18 August 2020
Notification to ASX that the Consolidation is approved	18 August 2020
Effective date of Consolidation	27 August 2020
Last day for trading in pre-Consolidation Shares	28 August 2020
Trading in post-Consolidation Shares commences on a deferred settlement basis	31 August 2020
Last day for Company to register transfers on a pre-Consolidation basis <b>(Record date)</b>	1 September 2020
First day for Company to register Shares on a post-Consolidation basis and despatch new holding statements	2 September 2020
Last day for Company to register Shares on a post-Consolidation basis and despatch new holding statements	8 September 2020
Deferred settlement trading ends	
Normal trading starts	9 September 2020
First trading settlement date	11 September 2020

A private placement of 205million shares at \$0.001 to raise \$205,000 was completed on 24 August 2020 to sophisticated investors.

There was a change of directors since 30 June 2020 which is reported in the Directors' Report,

There has been no other matter or circumstance that has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

**NOTE 22 Remuneration of auditors****Auditor of the parent entity**

BDO Audit (SA) Pty Ltd audit and review of the financial reports

BDO Audit (SA) Pty Ltd non-assurance services

<b>Consolidated</b>	
<b>2020</b>	<b>2019</b>
<b>\$</b>	<b>\$</b>
29,911	33,200
-	-
<b>29,911</b>	<b>33,200</b>

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of PepinNini Minerals Limited, I state that:

1. In the opinion of the Directors:
  - a. The financial statements and notes of PepinNini Minerals Limited for the financial year ended 30 June 2020 are in accordance with the Corporations Act 2001, including:
    - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
    - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
  - c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Board



Rebecca Holland-Kennedy  
Managing Director  
Sydney, 17 September 2020



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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of PepinNini Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2(a)(iv) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

## Recoverability of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
<p>As at 30 June 2020 the carrying value of Exploration and Evaluation Assets was \$18,077,365 as disclosed in note 4.</p> <p>The recoverability of the exploration and evaluation assets was considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>▶ The carrying value of exploration and evaluation expenditure represents a significant asset of the Group, we considered it necessary to assess whether the facts and circumstances existed to suggest that the carrying amount of this asset may exceed the recoverable amount; and</li> <li>▶ Determining whether impairment indicators exist involves significant judgement by management.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>▶ Obtaining a schedule of the areas of interest held by the Group and assessing whether the right to tenure of those areas of interest remain current and in good standing at reporting date;</li> <li>▶ Ensuring the right to tenure of the areas of interest was current through confirmation with the relevant government departments or external legal counsel;</li> <li>▶ Reviewing budgets and assessing assumptions made by the Group to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest were planned;</li> <li>▶ Reviewing ASX announcements and minutes of directors meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest; and</li> <li>▶ Considering whether any facts or circumstances existed to suggest impairment testing was required;</li> </ul> <p>We also assessed the adequacy of the related disclosures in note 4 to the Financial Statements.</p>

### Other information

The directors are responsible for the other information. The other information comprises the information contained in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Letter to Shareholders, 2020 Highlights, Tenement Schedule and Financial and Corporate Strategy, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Letter to Shareholders, 2020 Highlights, Tenement Schedule and Financial and Corporate Strategy, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.



## **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Pepinnini Minerals Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (SA) Pty Ltd**

Andrew Tickle

Director

Adelaide, 17 September 2020

## ADDITIONAL SECURITIES EXCHANGE INFORMATION

Following a share consolidation which completed on 8 September 2020 the shareholder information set out below was applicable as at 9 September 2020.

As at 9 September 2020 there were **18,317,100 fully paid ordinary shares PNN** held by **3,061** individual shareholders.

All issued ordinary shares carry one vote per share.

There is no current on-market buy-back.

### A. Distribution of equity securities

	Number of holders	Number of shares
1 – 1,000	2,090	533,591
1,001 – 5,000	580	1,523,488
5,001 – 10,000	193	1,542,659
10,001 – 100,000	165	5,259,599
100,001 and over	33	9,457,763
	<b>3,061</b>	<b>18,317,100</b>
Holding less than a marketable parcel	2,555	1,521,359

### B. Substantial shareholders

	Fully paid ordinary shares	
Ordinary shareholders	Percentage	Number
Kalinda Outlook Pty Ltd	7.52%	1,377,648
<b>Total</b>	<b>7.52%</b>	<b>1,377,648</b>

### C. Twenty largest holders of quoted equity securities

Ordinary Shareholders	Number	Percentage
KALINDA OUTLOOK PTY LTD	1,377,648	7.52%
TRINITY DIRECT PTY LTD	691,391	3.77%
MISS XINGLIANG LIN	500,000	2.73%
QUERION PTY LTD	406,555	2.22%
MS CHUNYAN NIU	400,000	2.18%
MR SUNEEL BOMMIREDDY	400,000	2.18%
MR NAI PEI LI	400,000	2.18%
MR ALEXANDER MACDONALD	400,000	2.18%
JOJO ENTERPRISES PTY LTD	393,359	2.15%
GEORGE HOLLAND PTY LIMITED	382,467	2.09%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	312,200	1.70%
MR SAI MANOJ NAMBURU	306,850	1.68%
MR SPERO JOHN TSAPALIARIS & MRS SOPHIA TSAPALIARIS	255,000	1.39%
JORGENSON-WATTS PTY LTD	250,000	1.36%
BEIRNE TRADING PTY LTD	201,282	1.10%
ALWAYS HOLDINGS PTY LTD	200,000	1.09%
PURESTEEL HOLDINGS PTY LTD	200,000	1.09%
ESHAN PTY LTD	190,000	1.04%
ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD	188,222	1.03%
MS KENG YOKE LEE	180,000	0.98%
MR DAVID GORDON JOHN BURCH	179,780	0.98%
LOKTOR HOLDINGS PTY LTD	167,500	0.91%
MR ANDREW JOHN SUTHERLAND	150,000	0.82%
MR MARTIN JOHN BOYD	150,000	0.82%
MARKOTA PTY LTD	150,000	0.82%
TROMSO PTY LIMITED	140,736	0.77%
<b>Total</b>	<b>8,572,990</b>	<b>46.80</b>

### D. Top holders of unquoted securities

Option Holder	unquoted options	
	Number	Percentage
Sabre Power Systems Pty Ltd	750,000	51.8%
Andre Wessels	200,000	13.8%
Guina Nominees Pty Ltd	100,000	6.9%
Strategic Energy Resources Ltd	83,333	5.8%
Mr S & Mrs S Tsapaliaris	75,000	5.2%
Eshan Pty Ltd	75,000	5.2%
Mr James Peter Allchurch	66,667	4.6%
Ms Anitra Rose Rechner	50,000	3.5%
Bergen Global Opportunity Fund II LLC	48,000	3.2%
<b>Total</b>	<b>1,448,000</b>	<b>100.00%</b>





# PepinNini

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