



ABOUT

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

The company also holds a copper-gold exploration project in Salta Province, Argentina

DIRECTORS

Rebecca Holland-Kennedy

Managing Director

Sarah Clifton-Brown

Finance Director

Philip Clifford

Non-Executive Director

Justin Nelson

Company Secretary

CONTACT

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FURTHER INFORMATION

Ms Rebecca Holland-Kennedy

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SEPTEMBER 2018 QUARTER ACTIVITIES AND CASH FLOW REPORTS

- **Argentine Lithium Brine Project** – Drilling permits granted Incahuasi Project
- Geophysical traverses and drilling program of 3 boreholes and one pumping well planned for Incahuasi Project
- PepinNini participates in Argentina Mining Conference, Salta
- **Corporate** –
 - Annual Report 2018 released
 - AGM announced for 29 November
 - Fund raising during and post quarter raised a total of \$1.18m



Photo 1 – Monitoring Brine Level - Salar del Rincon

AUSTRALIA



ARGENTINA



Salta Province Projects

PepinNini Lithium Ltd (PNN or the Company) has a wholly owned Argentine entity PepinNini SA (PNN SA) with a land holding for the Lithium Project of ten mining licences (*mina*) totalling 22,186 hectares in the western part of the Salta Province of NW Argentina. The properties are considered prospective for lithium brine aquifers associated with *Salares* (Salt lakes).

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

Salar	Mina	Area (hectares)*	Work to date and planned
Salar de Pular	Sulfa 1	657	Drilling completed – initial resource stated
Salar de Pular	Patilla	1,346	Drilling completed – exploration option to be reviewed
Salar de Pular	Moncho	2,128	Drilling completed – initial resource stated
Salinas Grandes	Luxemburgo	2,495	Planned Geophysics (VES)
Salar de Arizaro	Ariza Sur 1	3,004	Planned Geophysics (VES)
Salar del Rincon	Villanovena 1	1,586	Drilling completed – initial resource stated, pumping well planned
Salar Pocitos	Tabapocitos 02	2,970	Drilling completed
Salar Pocitos	Pocitos II	3,000	Drilling completed
Salar de Cauchari	Guayos II	1,610	To be allowed to lapse – assessed as no potential
Salar de Arizaro	La Maderita	3,000	Planned Geophysics (VES)
Salar de Incahuasi	Sisifo	2,000	Planned Geophysics, Drilling permit applications received, Drilling planned
Total		22,186	
* 100hectares = 1sqkm			

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

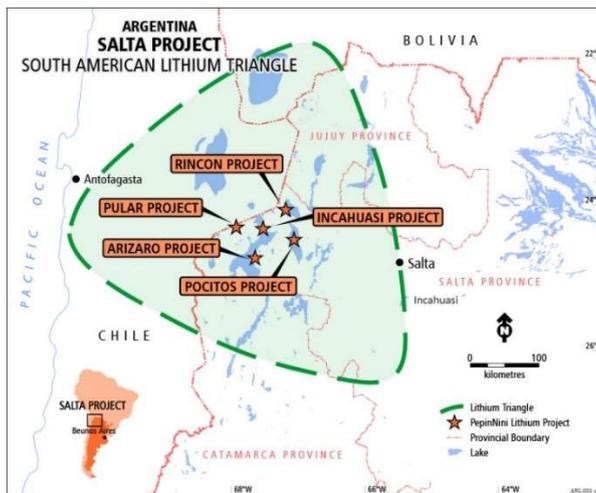


Figure 1 - The Lithium Triangle of South America

The lithium brine minas are situated within five different salar(dried salt lake) environments in the high Puna region of Salta Province, north west Argentina.

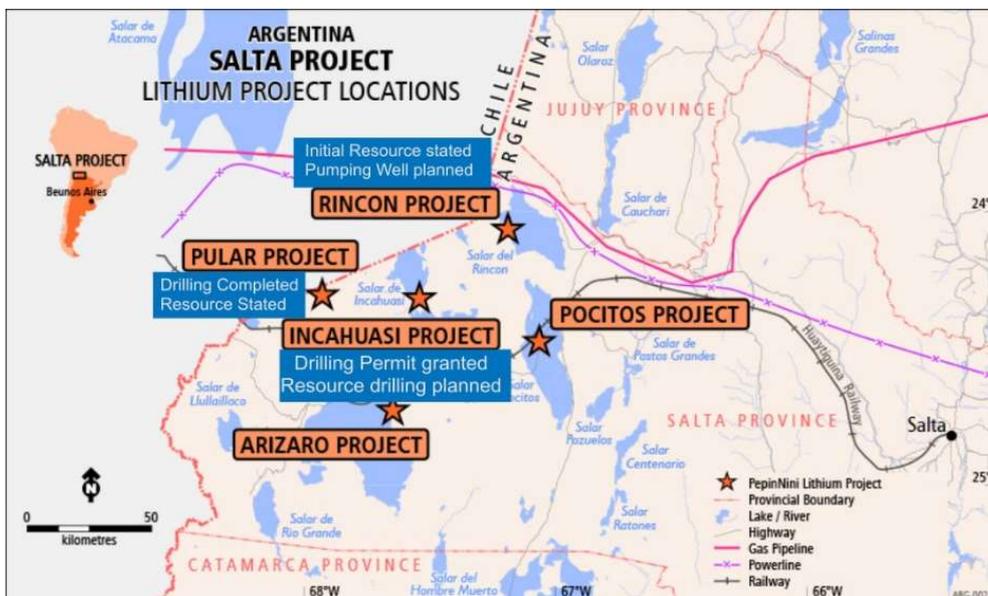


Figure 2 - Lithium Projects - Salta Province, Argentina.



Photo 2 – Pepinini booth at Argentina Mining Conference, Salta.

Salar de Incahuasi Project

Drilling permits were granted during the quarter and subject to the Company securing appropriate funding PepinNini plans to conduct a geophysical survey during the next quarter using Transient Electromagnetic survey methodology (TEM). Considering the extremely conductive environment of the Salares, TEM is suitably sensitive to small variations in the conductivity, hence is capable, due to the high electromagnetic induction effect, of delineating very thin conductive layers such as clays and saline water saturated formations. Geophysical N-S and E-W traverses are planned and are shown in Figure 3. These are hoped to provide information on the continuity of the brine at depth in the aquifers, across and along the salar.

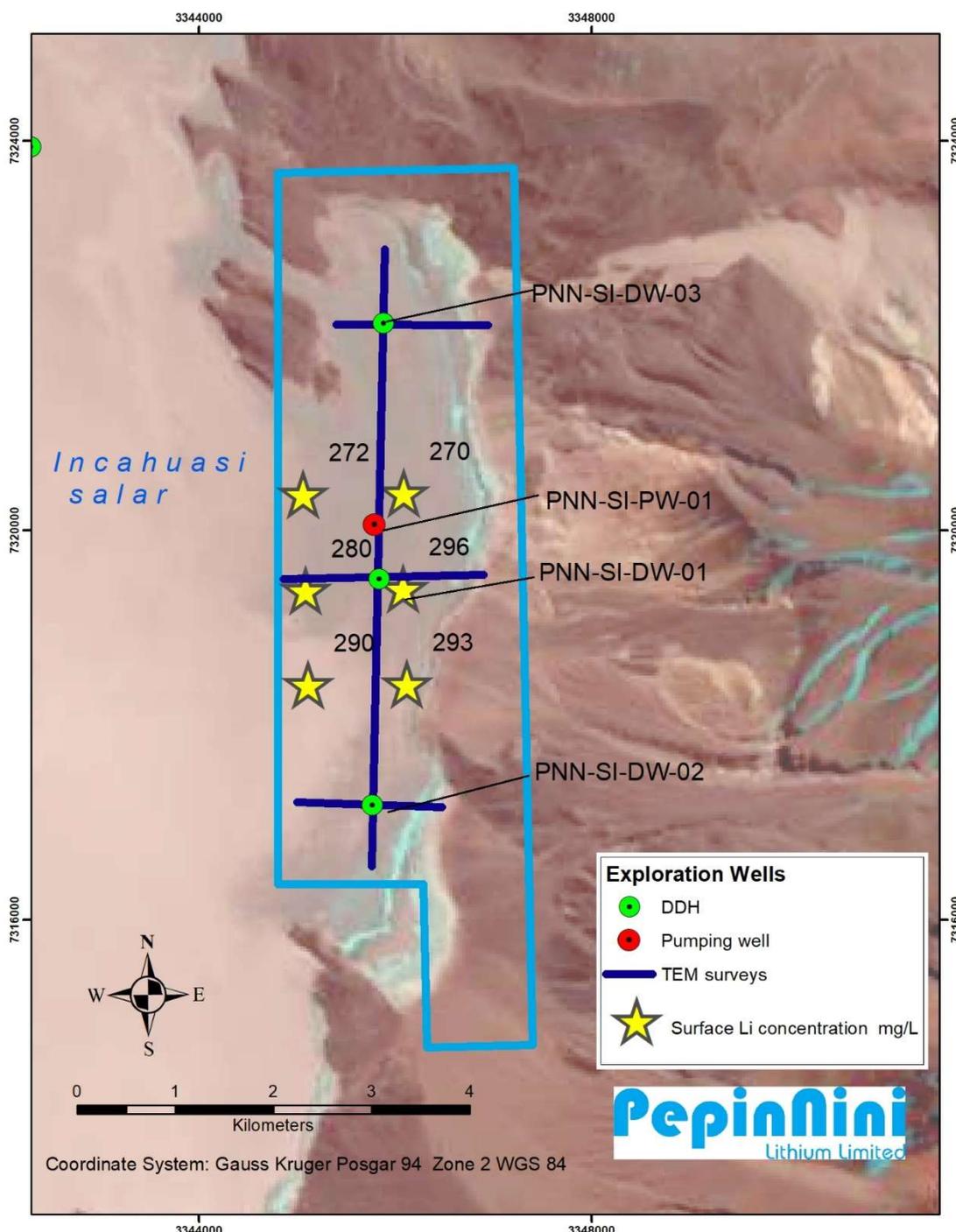


Figure 3 – Exploration Planned for Mina Sisifo, Salar de Incahuasi

Over the next quarter and following the geophysical surveys exploration wells will be drilled to the depths indicated by the geophysics. Up to three cored boreholes (see Figure 3 for estimated locations) are planned with both brine and core to be analysed for the geological characterisation of the basin including porosity. Brine will be sampled by Packer testing for the geochemistry of the brine including Lithium content. The Company will then be able to issue a maiden resource for the project.

The next step is pumping testing (Figure 3 shows the estimated pumping well location) for the hydraulic properties of the aquifer and brine testing at laboratory scale for the production of LCE.

Estimated schedule for exploration to LCE production

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

Quarter/Project	Pular	Incahuasi	Rincon	Company
September 2018	Production scenario modelling – exploration option review	Drilling Permits granted, drilling and geophysical work planned	Pumping well scoping	Project funding
December 2018	Production scenario modelling – exploration option review	Geophysical survey and drilling planning	Pumping testing & LCE test work	Project funding Seek strategic partner for offtake agreement and Project funding
March 2019	Pumping Testing	Drilling for resource and hydrogeology of the salar	Production well construction	Project Funding – Seek strategic partner for offtake agreement and Project funding
June 2019	Production well construction	Resource delineation and statement	Pilot evaporation pond construction	Project Funding – PFS
September 2019	Evaporation pond construction	Pumping testing and LCE test work	Pilot plant construction Evaporation & concentration	Project Funding - PFS
December 2019	Evaporation & concentration	Production well construction	Processing plant construction Evaporation & concentration	Development to production
March 2020	Evaporation & concentration	Evaporation pond construction Evaporation & concentration	Evaporation & concentration	Development to production
June 2020			LCE pilot production	Production

PepinNini SA also hold 4 mining leases over 6,840 ha which are prospective for Copper and Gold, the Santa Ines Project. No field exploration activities were carried out during the quarter on these projects.

Musgrave Province Projects

PNN's 100% Musgrave Project includes 8 exploration licence applications and 2 granted exploration licences in the name of NiCul Minerals Ltd (NCL) a wholly owned subsidiary of the company. The tenure covers 14,003 km² of the Musgrave Province within South Australia. (See Figure 4). NCL are targeting Nickel- Copper-Cobalt minerals. A number of targets have been generated from an airborne electromagnetic(EM) survey flown in a collaboration with CSIRO and Geoscience Australia in 2016. No field work was carried out during the quarter on NCL tenements.

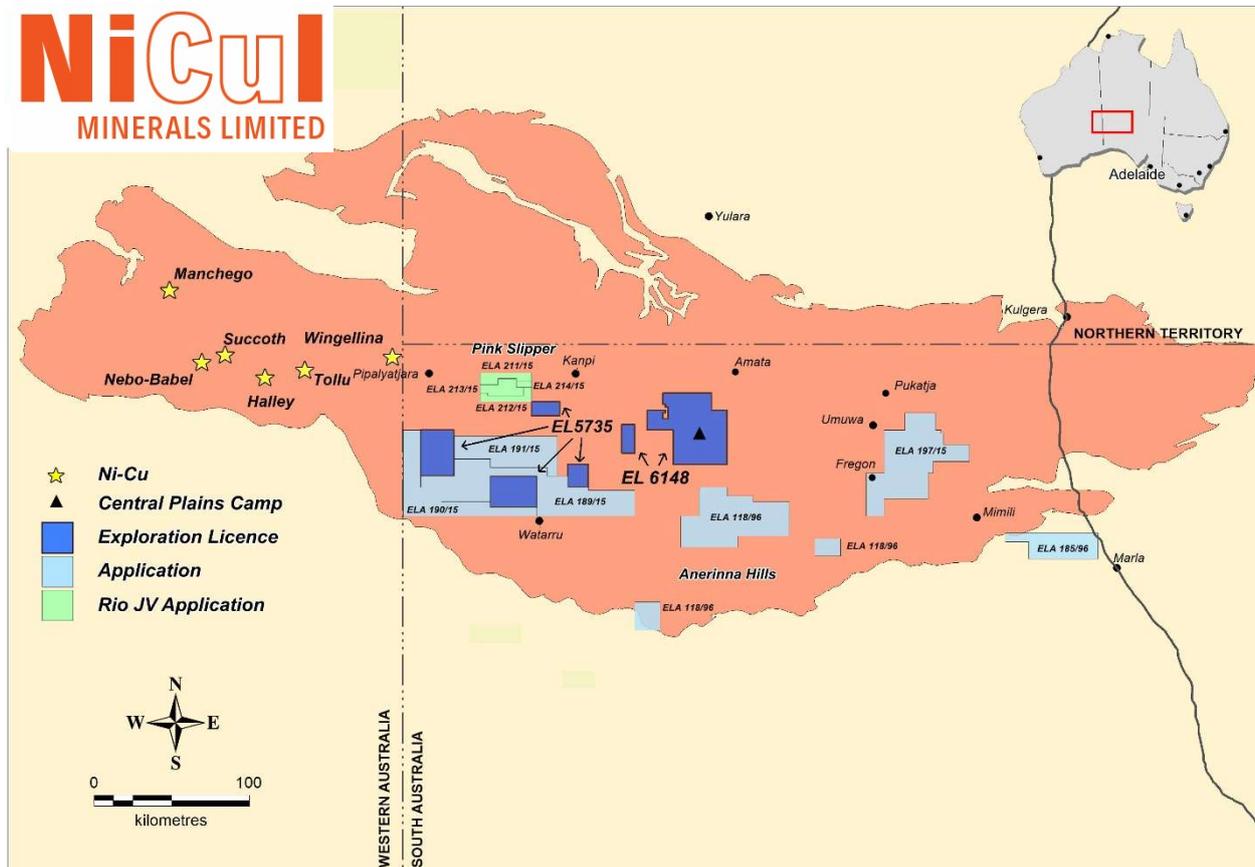


Figure 4: PNN's Musgrave Project locations, South Australia

Rio Tinto Joint Venture (South Australia)

Progress has been made during the quarter with a formal presentation to the Anangu Pitjantjatjara Yankunytjatjara Lands Executive Board in relation to joint venture exploration licence application (ELA2015/00214) which covers 37km² and includes the Pink Slipper geophysical target. NiCul Minerals Ltd have been invited to commence negotiations for an agreement with Anangu Pitjantjatjara Yankunytjatjara for the granting of the tenement application.

During the quarter a Mining Liaison officer was appointed by the SA government to APY Administration, it is hoped this appointment will facilitate and accelerate the granting of exploration applications to enable exploration activity to progress the project for the JV partners.

South Australia - Gawler Ranges (Eyre Peninsula)

Toondulya Bluff Gold Project

The Toondulya Bluff (EL5897) exploration licence is located approximately 100km north east of Streaky Bay, on the Eyre Peninsula, South Australia (Figure 5). It lies within the Proterozoic gold province of the central Gawler Craton along the margin of the Gawler Range Volcanics (GRV) where Hiltaba Suite granitoids intrude older basement rocks. The province contains several gold and silver deposits including Tarcoola, Glenloth, Tunkillia, Paris and Barns. The tenure covers the southern extension of the highly prospective Yalbrinda Shear Zone which to the north is known to host a number of mineral occurrences including the Tunkillia Deposit reported to contain a resource estimate of 558,000 ounces of gold and 1.48 million ounces of silver (ASX:WPG 28/10/16).

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

No field work was undertaken during the quarter.

PNN is seeking Joint Venture partner or sale.

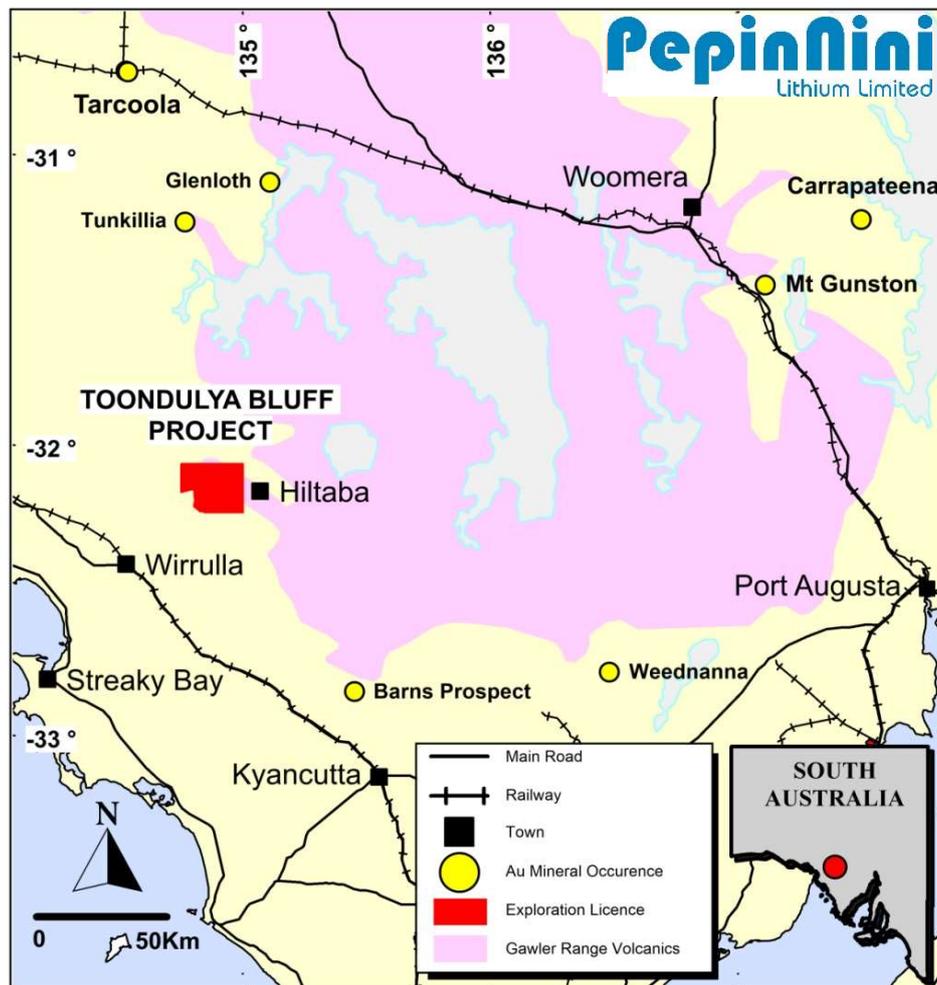


Figure 5: Location of Toondulya Bluff Gold Project South Australia.

TENEMENT SCHEDULES

Australia

Tenement	Tenement Name	Area Km ²	JV	PepinNini Interest	Grant Date
South Australia					
EL5897	Toondulya Bluff	390		100%	25/11/16
EL 5735	Mt Marcus	1,607		100%	25/10/10
EL 6148	Mt Caroline	1,918		100%	25/2/18
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
Totals		15,008			

Argentina

	Tenement	Type	Project	Application	Granted	Applied Area Ha	Title Holder
	Cu-Au	Mina	Santa Ines	27-Sep-10	20-Sep-11	18	PNN SA 100%
	Cu-Au	Mina	Santa Ines	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
	Cu-Au	Mina	Santa Ines	11-Oct-14	30-Nov-15	2609	PNN SA 100%
	Cu-Au	Mina	Santa Ines	11-Oct-14	9-Sep-15	511	PNN SA 100%
						6,138	
	Li Brine	Mina	Salar de Pular	2-Jun-16	22-Feb-17	657	PNN SA 100%
	Li Brine	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,495	PNN SA 100%
	Li Brine	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,994	PNN SA 100%
	Li Brine	Mina	Salinas Grandes	9-Aug-16	9-Sept-16	3,228	LSC transaction
	Li Brine	Mina	Salinas Grandes	9-Aug-16	9-Sept-16	2,719	LSC transaction
	Li Brine	Mina	Salinas Grandes	10-Aug-16	9-Sept-16	3,500	LSC transaction
	Li Brine	Mina	Salinas Grandes	17 Jan 17	Not yet	3,022	LSC transaction
	Li Brine	Mina	Salar de Arizaro	2-Jun-16	22-Jun-16	3,004	PNN SA 100%
	Li Brine	Mina	Salina del Rincon	2-Jun-16	22-Jun-16	1,586	PNN SA 100%
	Li Brine	Mina	Salar Pocitos	2-Jun-16	22-Jun-16	2,970	PNN SA 100%
	Li Brine	Mina	Salar Pocitos	17-Aug-16	19-Sept-16	3,000	PNN SA 100%
	Li Brine	Mina	Salar de Cauchari	17-Aug-16	19-Sept-16	1,610	lapsing
	Li Brine	Mina	Salar de Cauchari	16-Dec-16	Not yet	1,906	lapsing
	Li Brine	Mina	Salinas Grandes	9-Mar-17	Not yet	2,990	LSC transaction
	Li Brine	Mina	Centenario Salar	4-Apr-17	22-May-17	1,503	lapsing
	Li Brine	Mina	Salar de Arizaro	4-Aug-17	17-Oct-14	3,000	PNN SA 100%
	Li Brine	Mina	Salar de Pular	22-Feb-18	Not yet	1,346	LSC transaction
	Li Brine	Mina	Incahuasi Salar	22-Feb-18	13-Jun-18	2,000	PNN SA 100%
	Li Brine	Mina	Salar de Pular	5-Dec-17	8-Feb-18	2,128	PNN SA 100%
						22,186	
	Total 14					28,324	

This section on the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources for the Australian projects is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is a Non-Executive Director of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Phil Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:

Rebecca Holland-Kennedy
Managing Director, PepinNini Lithium Limited
Phone: (08) 8218 5000

Note: Additional information on PNN is available at www.pepinnini.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PepinNini Lithium Limited

ABN

Quarter ended ("current quarter")

55 101 714 989	September 2018
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(814)	(814)
(b) development		
(c) production		
(d) staff costs	(57)	(57)
(e) administration and corporate costs	(46)	(46)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(917)	(917)

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

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

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	841	841
3.2 Proceeds from issue of convertible notes	100	100
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	941	941

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	38	38
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(917)	(917)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	941	941
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	62	62

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	62	38
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	62	38

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

86

1. Chairman, Managing, Finance and Non-Executive Directors' Remuneration \$78,172.27
2. Chairman, Managing, Finance and Non-Executive Directors' Superannuation \$7,239.66

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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Mining exploration entity and oil and gas exploration entity quarterly report

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

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	275

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Mina Guayos II File 21196	Allow to lapse	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	nil			

Compliance statement

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



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

Print name:Justin Nelson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.