

PepinNini Minerals Limited

Report for the Quarter Ending 30 June, 2014

29 July 2014



Highlights during the quarter

- ◆ **Musgrave Project** - South Australia, an R&D collaboration with CSIRO was announced 5 May for fixed wing high-moment electromagnetic data collection and interpretation with expenditure up to \$0.5m funded by grant and company contribution.
- ◆ **Argentina Project** – South America, Phase 2 exploration was undertaken on the Santa Ines project in Salta Province.
- ◆ **Entitlement Issue** pursuant to a Prospectus was announced 24 April 2014 of 2 for 3 ordinary shares at 1.9c per share with a 29% take up to raise \$442,597 before costs. The shortfall notification from the issue was made 27 May 2014 and will close 22 August 2014.
- ◆ At the end of the quarter the Company held \$0.55 million in cash.
- ◆ **Curnamona Project** - Subsequent to the end of the quarter on 15 July 2014 PepinNini Minerals Ltd announced the signing of a Sale and Purchase Agreement for its 40% interest in the Uranium and Mineral Resources Joint Venture for \$2.3m. The Sale and Purchase Agreement contains a number of conditions precedent that must be satisfied before the sale is completed. The purchaser is Sinosteel Uranium SA Pty Ltd.



Project Locations

ARGENTINA

Salta Projects

PepinNini has one granted exploration lease(cateo), five granted mining leases(mina) and six applications for mining leases(mina) covering approximately 335 kms² in the Argentine province of Salta. The Salta Projects comprise two separate areas designated as Santa Ines and Chivinar and the Santa Ines Project comprises one granted mining lease, one granted exploration tenement and one mining lease application covering approximately 82 km². The Chivinar Project comprises four granted mining leases and five mining lease applications and covers 253 kms².(see location Figure 1)

During the June quarter, Phase 2 exploration at the Santa Ines project was completed. Exploration work carried out expanded on the mapping, sampling and ground geophysical surveying work undertaken during Phase 1 completed in December 2013 from which two prospects were delineated El Obsequio(the Gift) and La Recompensa(the Reward).

Activities during the June quarter included Induced Polarization (IP) geophysical surveying(Figure 2), soil and rock chip sampling and detailed mapping. IP was carried out at El Obsequio and La Recompensa Prospects which comprised both north-south and an east-west survey lines for a total 11 line km. The soil sampling, rock chip sampling and detailed mapping expanded the previous coverage of the El Obsequio Prospect across to the La Recompensa Prospect. Approximately 270 soil samples were collected for handheld XRF multi-element analysis and thirteen rock chip samples were collected for laboratory multi-element geochemical analysis. Detailed mapping was undertaken across parts of the prospect areas not concealed by younger volcanic cover.

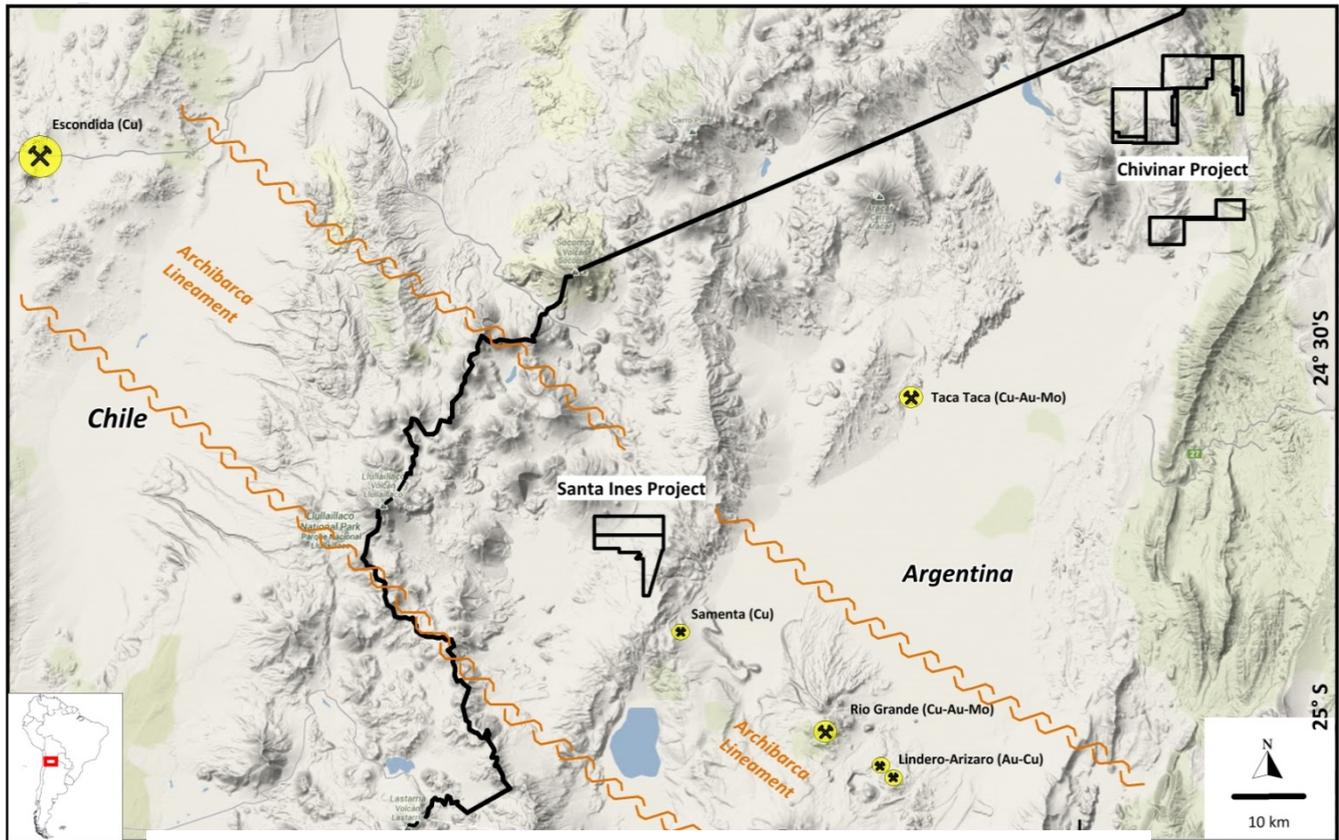


Figure 1 Santa Ines Project –Archibarca Structural Corridor

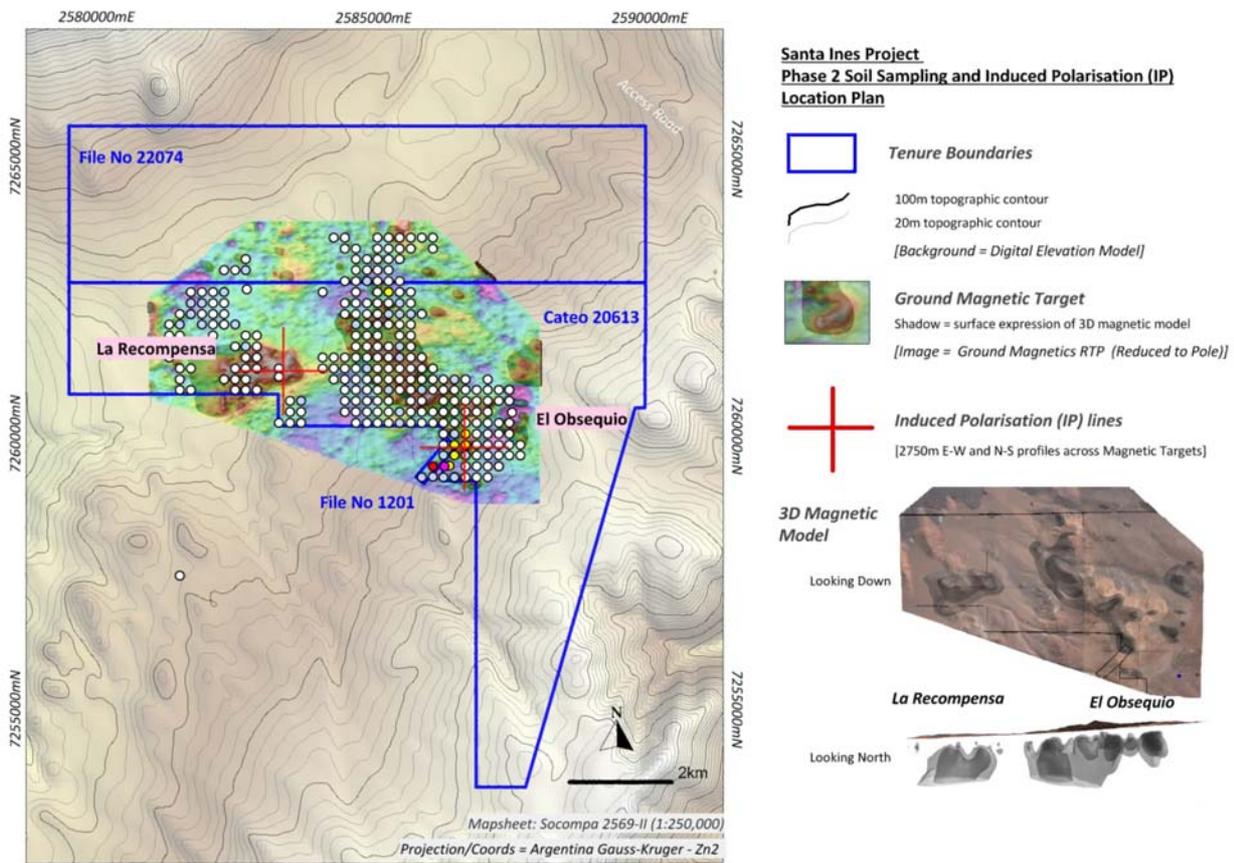


Figure 2 - Geophysical Survey Areas April 14



Figure 3 Haematite matrix breccias with trace copper mineralisation from within major shear zone located near the 'El Obsequio' epithermal Cu-Au prospect.

SOUTH AUSTRALIA

Musgrave Province Projects

PepinNini's Musgrave Project comprises 3 exploration licences and 4 exploration licence applications (100% PNN) covering 8,222 km², and three Joint Venture tenements with Rio Tinto Exploration covering 1,387 km² (PepinNini earning 51%).

During the June quarter, PepinNini announced the details of a Research & Development (R&D) collaboration with the Minerals Down Under (MDU) division of the CSIRO. The collaboration will involve the collection and interpretation of geophysical datasets and will accelerate targeting within the Company's Caroline Project, which is prospective for nickel-sulphide mineralisation analogous to the Nebo-Babel deposits (ASX: CZI) in the west Musgrave Province.

The Company announced on the 18th of June 2014 the details of three nickel-sulphide prospects within the Caroline Project (100% PNN) named Scott, Wandila and Fowler. The mineral potential of these prospects was highlighted following identification of seven discrete magnetic "bulls-eye" near the intersections of major structure and gravity lineaments. These positive interpretations highlight the potential for prospective mafic feeder dykes within the project area. Planning is still ongoing for a roughly 2,500 line kilometre airborne electromagnetic survey to investigate the presence of nickel-sulphide mineralisation within and around these high-priority prospects. PepinNini is currently working in conjunction with the CSIRO to finalise the specification of the proposed survey.

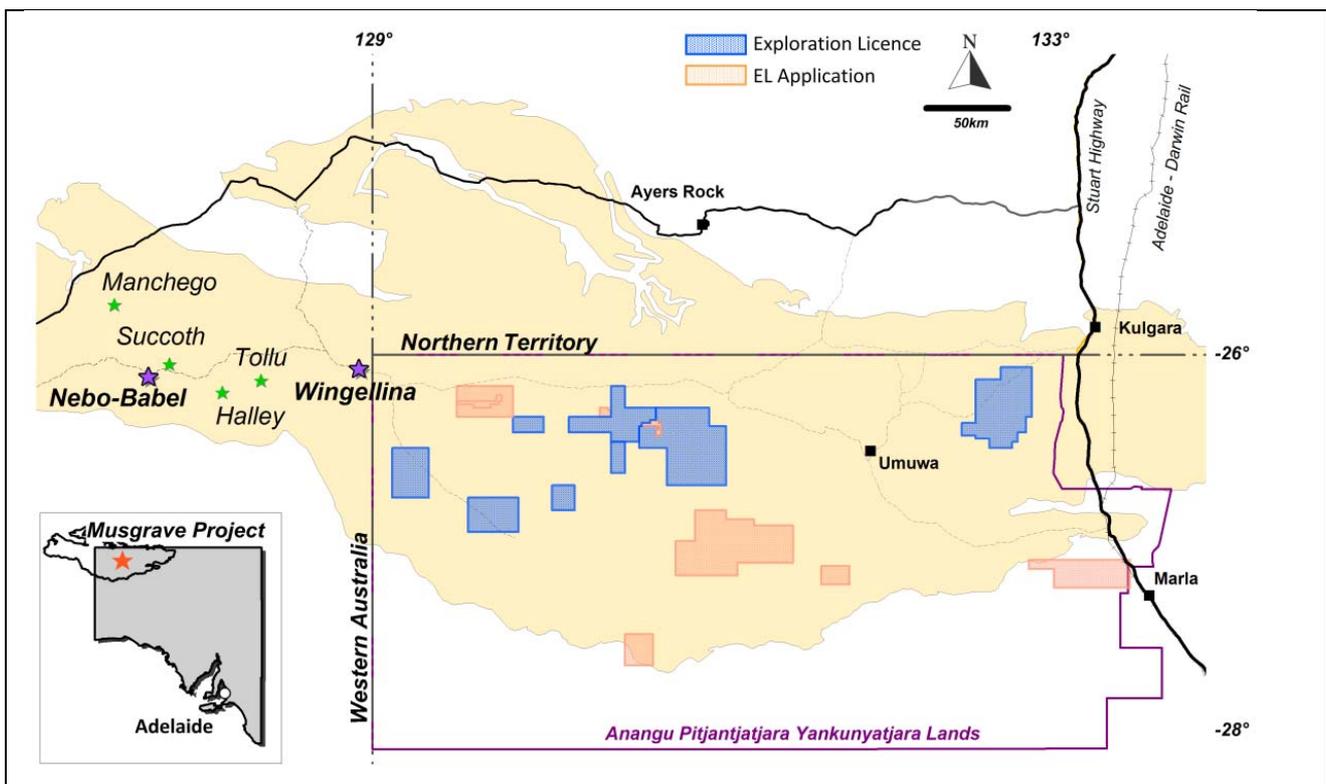


Figure 4: Location of PepinNini Minerals Musgrave Project, South Australia

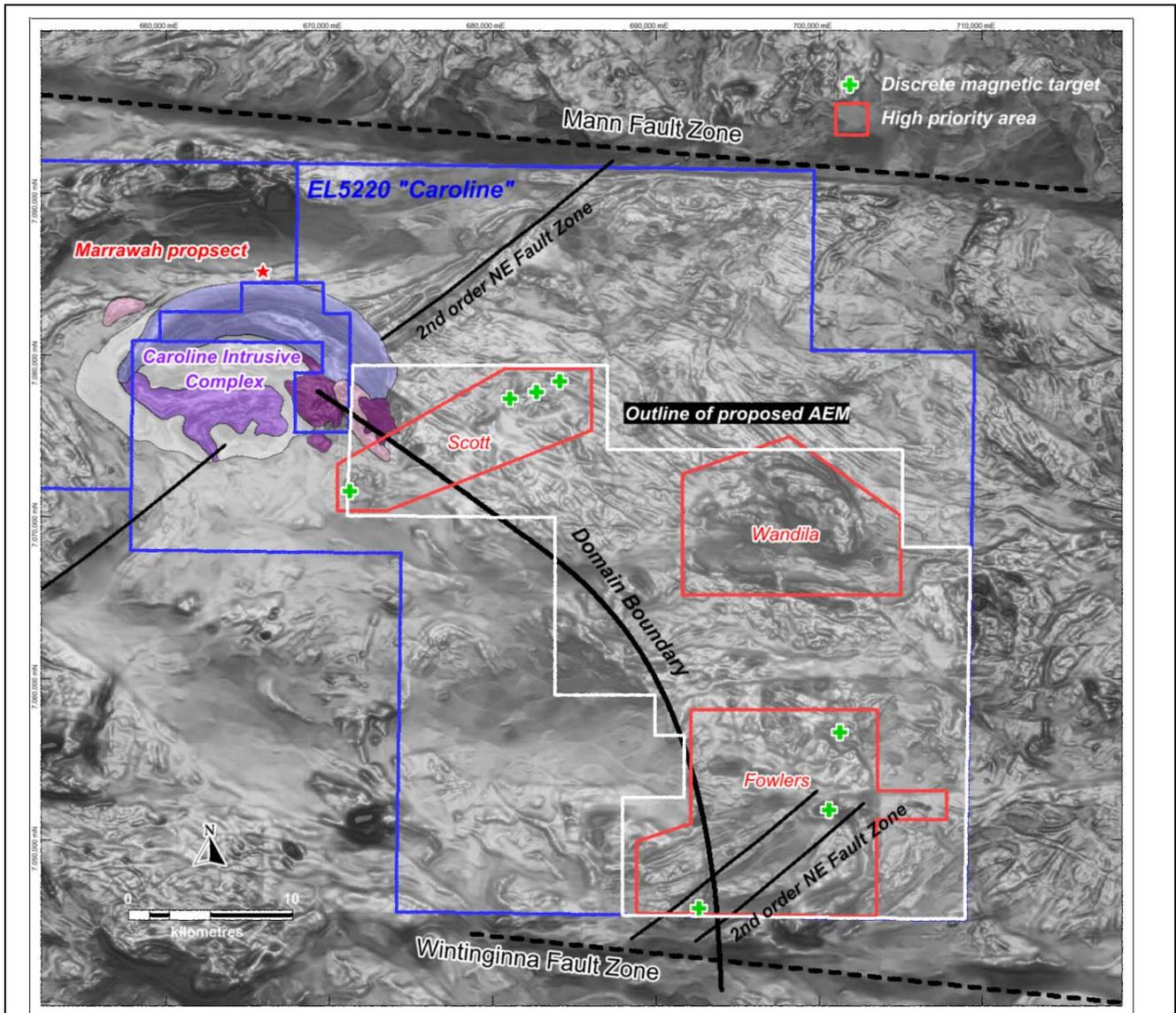
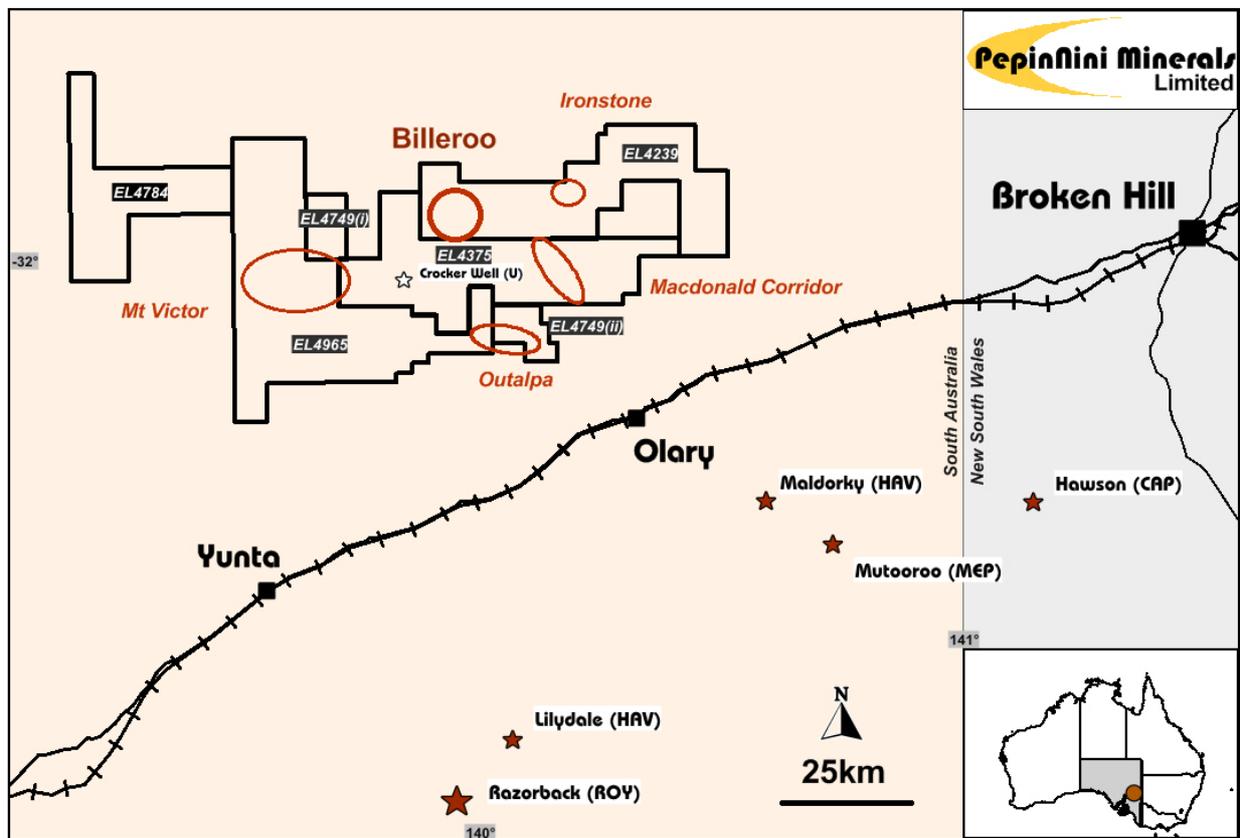


Figure 1: Location of Nickel Sulphide (Ni-S) geological prospects within PepinNini’s Caroline Project, central Musgrave Region South Australia. Ni-S prospects are located near intersections of east-west crustal lineaments and a south-east trending curvilinear domain boundary. The identification of discrete magnetic targets highlights the potential for mafic feeder dykes within the project area. An airborne electromagnetic survey is planned for Q4 2014 and will investigate the presence of massive Ni-S in the project area.

Curnamona Province Projects

Figure 5 Curnamona Projects – Tenement Location Plan



Exploration within the Curnamona Province Projects' area, which includes the Crocker Well Uranium Deposit, is being managed by Sinosteel PepinNini Curnamona Management Pty Ltd (SPCM) on behalf of the Joint Venture partners Sinosteel Corporation (60%) and PepinNini Minerals (40%). The Joint Venture has prioritized the investigation of the iron ore potential of the five tenements covering approximately 3,605 kms² held by the Joint Venture. No exploration activities were undertaken during the quarter.

Subsequent to the end of the quarter on 15 July 2014 PepinNini Minerals Ltd announced the signing of a Sale and Purchase Agreement for its 40% interest in the Uranium and Mineral Resources Joint Venture between PepinNini Resources Curnamona Pty Ltd, a wholly owned subsidiary of PepinNini Minerals Ltd, and Sinosteel Uranium SA Pty Ltd.

Under the Sale and Purchase Agreement Sinosteel Uranium SA Pty Ltd is the purchaser and the purchase consideration is \$2.3m. The Sale and Purchase Agreement contains a number of conditions precedent that the parties must satisfy before the sale is completed.

WESTERN AUSTRALIA Robinson Range Iron Ore Project

The Robinson Range Project comprises seven tenements that cover approximately 700km². PepinNini has a 50% interest in the iron ore contained within three tenements and a 40% interest in the iron ore contained within the other four tenements and manages exploration on behalf of the Joint Venture partners. PNN Area C is located within exploration tenement E51/1033 held by PepinNini Robinson Range Pty Limited (40%), Resource and Investment NL (ASX:RNI) (40%) and Fe Limited (ASX:FEL) (20%).

The joint venture has delineated an Inferred Mineral Resource for PNN Area C as follows; (*PNN ASX Release 6th June, 2012*);

Table 1 Inferred Mineral Resource Estimate for PNN Area C (June, 2012)

Million Tonnes	Cut Off %Fe	Density SG	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	TiO ₂ %	LOI %
17.7	45	3.6	49.7	13.3	8.5	0.06	0.04	0.29	5.4
4.3	52	3.8	55.2	8.5	6.5	0.06	0.05	0.21	4.7

This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

No iron ore field activities were undertaken on the project during the quarter.

NORTH QUEENSLAND

PepinNini Minerals holds five tenements in North Queensland which are considered prospective for uranium and gold and cover 415km². No field activities were undertaken during the quarter.

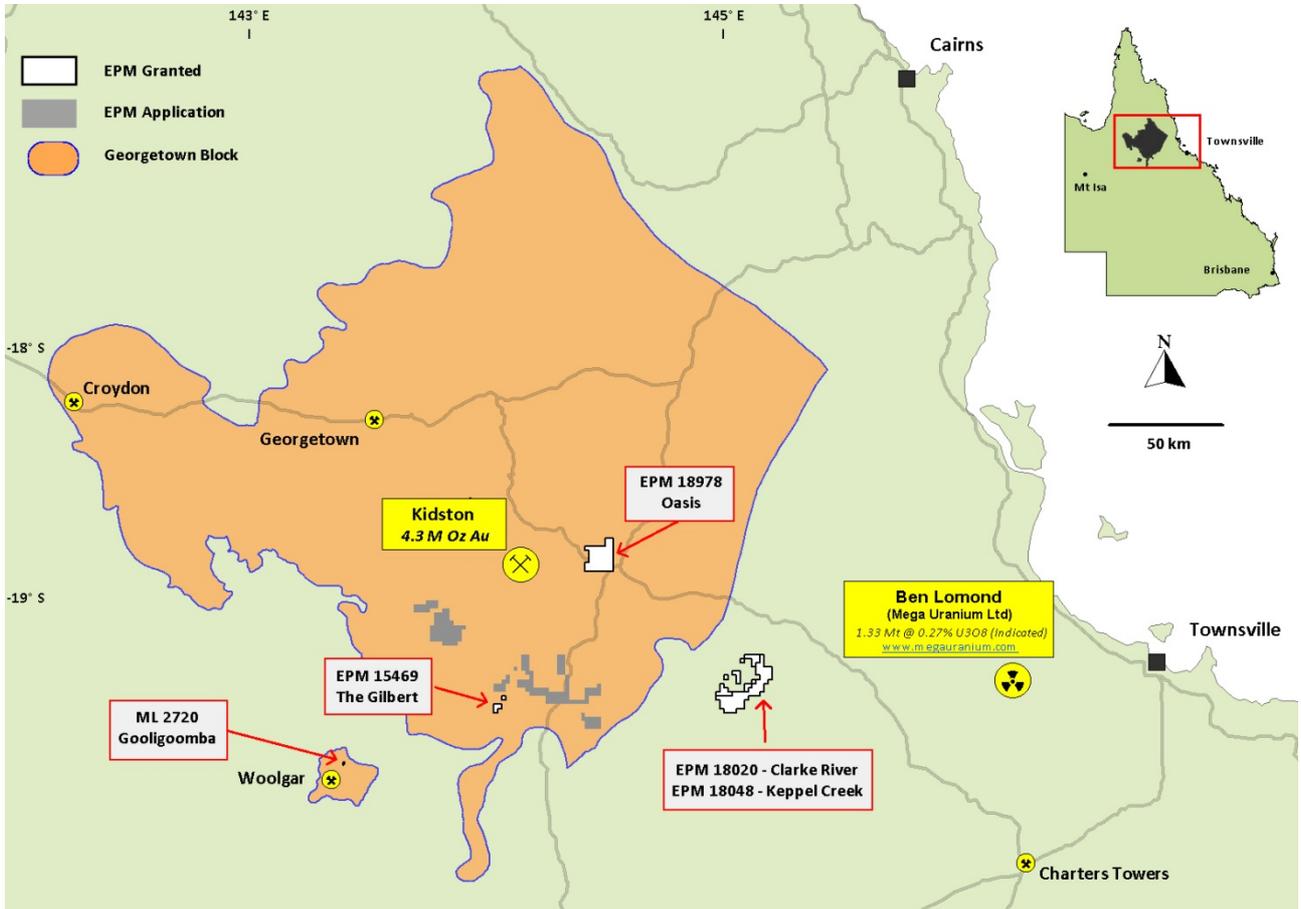


Figure 6 - Queensland Tenement Regional Location Plan

TENEMENT SCHEDULE

Australia

Tenement	Tenement Name	Area Km ²	PepinNini Interest	Grant Date
South Australia				
EL 4375	Bimbowrie	843	40%	12.11.09
EL 4587	Mt Harcus	1,607	100%	25.10.10
EL 4749	Outalpa	201	40%	10.06.11
EL 4780	Pine Ridge	1,382	100%	13.10.11
EL 4784	Scott Hill	521	40%	13.10.11
RL 126	Crocker Well	748ha	40%	20.09.12
EL 5185	Woodroffe	764	Earning 51%	24.09.12
EL 5220	Mt Caroline	1,918	100%	25.02.13
EL 4239	Kalabity	822	40%	12.03.09
EL 4965	Mt Victor	1,218	40%	30.07.12
ELA 278/82	Jalukana	77	Earning 51%	application
ELA 491/94	Aparatjara	537	Earning 51%	application
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
EL 5268	Yadlamalka	47	100%	13.06.13
Queensland				
ML 2720	Gooligoomba	83ha	100%	01.10.84
EPM 15469	The Gilbert	13	100%	07.03.07
EPM 18020	Clarke River	187	100%	04.02.13
EPM 18048	Keppel Creek	41	100%	31.03.11
EPM 18979	Oasis	147	100%	17.08.12
Western Australia				
E52/1964	-	33	50%	01.11.07
E52/1910	-	204	50%	10.08.06
E52/1723	-	60	50%	01.12.04
E52/1672	-	106	40%	22.09.05
E52/1670	-	27	40%	23.11.04
E52/1613	-	91	40%	29.03.06
E51/1033	-	161	40%	22.09.05
TOTAL (28)		14,317		

Argentina

Tenement	Type	Province	Application	Granted	Applied Area Ha	Title Holder
Santa Ines II	Mina	Salta	05-Jul-13	27-Jun-13	3,892	PNN SA 100%
Santa Ines X	Mina	Salta	08-Nov-13	not yet	379	PNN SA 100%
Santa Ines VII	Mina	Salta	15-Apr-13	28-Nov-13	3,500	PNN SA 100%
Santa Ines XI(tbc)	Mina	Salta	12-Mar-14	Not yet	525.6	PNN SA 100%
Santa Ines IV	Mina	Salta	25-Jun-12	09-Oct-13	3,598	PNN SA 100%
Santa Ines III	Mina	Salta	15-Mar-12	11-Jul-13	1,055	PNN SA 100%
Santa Ines V	Mina	Salta	25-Jun-12	Not yet	2,643	PNN SA 100%
Santa Ines VI	Mina	Salta	26-Jun-12	Not yet	3,500	PNN SA 100%
Santa Ines IX	Mina	Salta	30-Jul-13	Not yet	3,417	PNN SA 100%
Santa Ines	Cateo	Salta	13-Oct-10	17-Aug-12	3,133	PNN SA 100%
Mina Santa Ines	Mina	Salta	27-Sep-10	20-Sep-11	18	PNN SA 100%
Santa Ines VIII	Mina	Salta	18-Jul-13	Not yet	3,000	PNN SA 100%
28,661						

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

For further information please contact:

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Managing Director, PepinNini Minerals Limited
Phone: (08) 8218 5000

Note: Additional information on PepinNini Minerals Limited can be found on the website:
www.pepinnini.com.au

Mining exploration entity quarterly report

Rule 5.3

Appendix 5B

Mining 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

Name of entity

PepinNini Minerals Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

Jun 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	185	341
1.2 Payments for (a) exploration & evaluation	(364)	(2,084)
(b) development		
(c) production		
(d) administration	(189)	(631)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	18
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid/refund	-	567
1.7 Other (provide details if material) PACE refund	-	110
Net Operating Cash Flows	(366)	(1,679)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	18	102
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	18	102
1.13 Total operating and investing cash flows (carried forward)	(348)	(1,577)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(348)	(1,577)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	443	989
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	200
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	443	1,189
	Net increase (decrease) in cash held	95	(388)
1.20	Cash at beginning of quarter/year to date	458	941
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	553	553

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	59
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1. Chairman, Managing Director, Administration Director and non-executive directors' Remuneration\$50,732
2. Chairman, Managing Director, Administration Director and non-executive directors' Superannuation	\$7,996

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	200	200
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Mining exploration entity quarterly report

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	350
4.2	Development	
4.3	Production	
4.4	Administration	180
Total		530

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	153	158
5.2	Deposits at call	400	300
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		553	458

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 5268	Relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

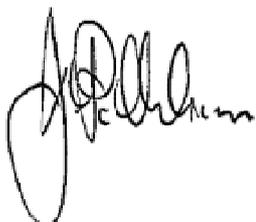
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	143,731,600	143,731,600	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,294,559	23,294,559	1.9c	1.9c
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	27,058,105	27,058,105	<i>Exercise price</i>	<i>Expiry date</i>
	2,500,000	0(employee)	5c	30 Jun 15
	2,500,000	0(employee)	4c	1 Jun 16
	1,600,000	0(employee)	6c	1 Jun 16
	2,500,000	0(employee)	12.5c	1 Jun 16
	2,500,000	0(employee)	5c	31 Dec 15
	2,500,000	0(employee)	6c	30 Jun 16
	2,500,000	0(employee)	7c	31 Dec 16
7.8 Issued during quarter	2,500,000	0(employee)	5c	31 Dec 15
	2,500,000	0(employee)	6c	30 Jun 16
	2,500,000	0(employee)	7c	31 Dec 16
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: ...Tuesday 29th July 2014

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.

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+ See chapter 19 for defined terms.