PepinNini Lithium Limited

ASX RELEASE 16 January 2018 ASX:**PNN**

Salta Lithium Project
Lithium confirmed at Rincon

The Directors of PepinNini Lithium Ltd (PNN, the Company) are pleased to report positive drilling and analytical results from exploration drilling on the Company's **Rincon Project**. Borehole PNN-VI-DW-02 was drilled to 130 metres (ASX release 8 Jan 2018) and terminated in brine bearing sands. This hole, coupled with the results of the first hole PNN-VI-DW-01 (drilling results refer ASX release 29 Dec 2017) confirm lithium bearing brines of potentially viable grades underlie the Company's tenement on the west of the Salar del Rincon.

Analytical results report a maximum grade of 313 milligrams/litre (mg/L) lithium and average of 284 mg/l for this latest hole. The highly porous black sand unit intersected from 31m to the base of the hole at 130m averaged 288mg/l lithium. The salar is considered saturated from 1.5m however technical issues with the packer testing equipment limited samples to the lower unit.

MD Rebecca Holland-Kennedy commented, *At PepinNini we are pleased to report thick aquifer sequences of up to 100m on our Rincon Project, and now with these initial grades indicating that we have lithium brine, further drill testing for the most productive zones is justified. As such, we are planning pumping testing to better quantify the flow parameters of these highly porous units and their extent.*

Photo 1 - Field parameter recording of samples for conductivity, density, Ph and temperature

Sampling has been conducted with an appropriate QA/QC program in place for ensuring accuracy and precision of the analytical results. Standards have not yet been established for the salar by the Company, but for this stage of exploration, duplicates are considered adequate. A certified laboratory, SGS Laboratories in Buenos Aires have carried out the analysis using ICP methodology.

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

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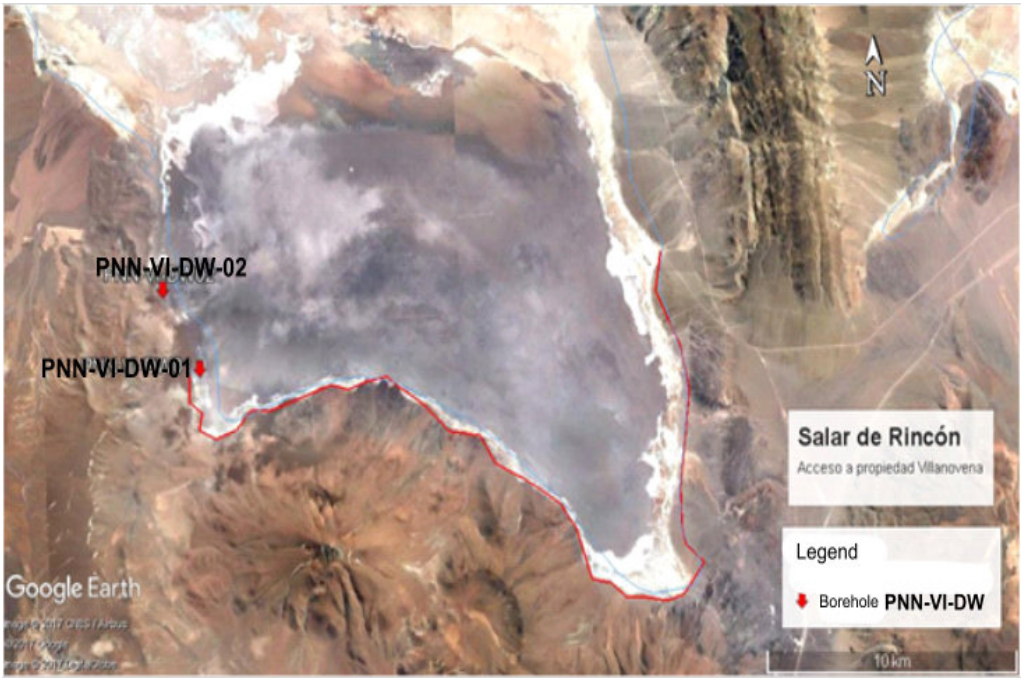
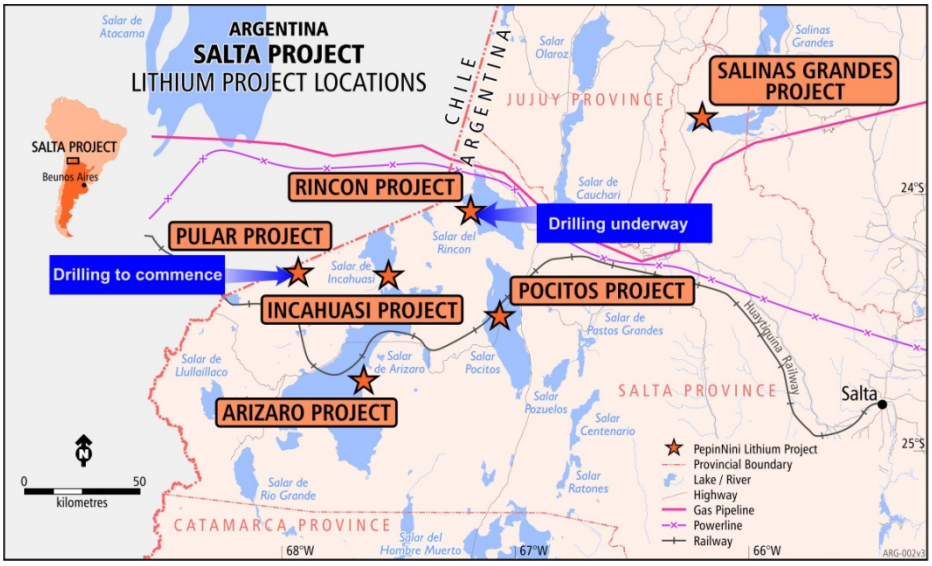


Figure 1 - Rincon Salar Borehole Locations



This announcement on the Salta Lithium project has been reviewed by Iain Scarr, AIPG CPG, IMEx Consultants Inc, of Greenwood Village, Colorado, USA, who 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 and Qualified Person for the Canadian National Instrument 43-101". Iain Scarr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representability and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Liquid samples were collected using borehole packers at 6 metre intervals over 1.2 metres thickness • Borehole fluid density, temperature conductivity and Ph were recorded at time of sampling • During the packer test, several 250l drums are filled in order to remove drilling fluids contaminants . • To collect a representative sample the borehole must be cleaned taking out the amount of brine that represents 200 to 250% of the borehole volume capacity at any given depth
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond core drilling – HQ3 diameter drilled vertically, triple tube
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The boreholes were drilled and cored to 80m and 130 m respectively. Core samples not being reported • Cores will be retained for geotechnical testing of porosity, grainsize and density • Liquid samples were collected from boreholes using the double packer. • Shallower than 15m, the packer was not effective, as such brine samples were collected from surface pits.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core is geologically logged for lithology and photographed, • Field parameters are measured for brine samples. These include density, temperature , conductivity and PH These are included in the bore hole descriptive log. • The boreholes were drilled and cored to 80m and 130 m respectively.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The boreholes must be cleaned by extracting brine before sampling can commence
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• A chain of custody was maintained for samples from drilling location to laboratory receipt.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• A Competent person(CP) is used for oversight verification of sampling techniques, laboratory verification and reporting review • 30 samples were taken from both Rincon bore holes of which 9 are control samples as per CP requirements
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Geographic positioning control for borehole location using both latitude and longitude and Gauss_Kruger POSGAR (WGS-84)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples taken every 6 metres within the boreholes
Orientation of data in relation to geological	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key*	• Boreholes drilled vertically to intersect salar horizontal layering

Criteria	JORC Code explanation	Commentary
structure	*mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	• *The measures taken to ensure sample security.*	• A chain of custody is established for samples from field to laboratory with each stage signed off and handed over
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data collection, processing and analysis protocols aligned with industry best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Mina Villanovena 1 File Number 19565, Held 100% by PepinNini SA an Argentina entity wholly owned by PepinNini Lithium Ltd. • Held under grant from Mining Court of Salta Province, Argentina Tenure (Mina) held in perpetuity and appropriately maintained.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration carried out by ADY - Energi Group Enirgi Group's Lithium Project - Salar del Rincón , Salta, Argentina - News Release17 April 2017 www.enirgi.com
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PepinNini is primarily exploring for brine aquifers in salars (dried salt lakes) and the geological setting is suitable for lithium bearing brines in commercial quantities. • Brine aquifers are indicated by high conductivity/low resistivity responses considered prospective for lithium brine
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole*	Borehole PNN-VI-DW-02 • Borehole coordinates: GK Posgar Zone 3: 7333639.91E - 3380585.57N Elevation:3730 masl • Start drilling date: 17 Dec 2017 • Finish drilling date: 23 Dec , 2017 • Total Depth: 130 meters • Drilling Methodology: Diamond Drilling

Criteria	JORC Code explanation	Commentary
	○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drilling Company: Hidrotec • Rig: HT06LF90 Borehole PNN-VI-DW-01 • Borehole coordinates: GK Posgar Zone 3: N 3382155.2/E 7330630.6 Elevation:3,731 masl • Start drilling date: Dec 7, 2017 • Finish drilling date: Dec 9, 2017 • Total Depth: 80 meters • Drilling Methodology: Diamond Drilling • Drilling Company: Hidrotec • Rig: HT06LF90
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation used,
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Boreholes drilled vertically and core reported as true depths and intersection lengths, salar lithologies are horizontal
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Borehole location plan provided in Figure 1

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		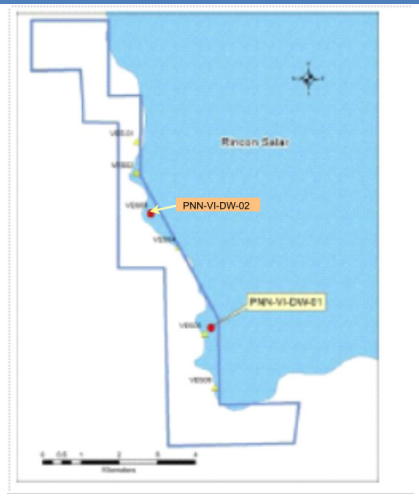 Villanovena I Mina and Borehole Location Plan -
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Average Li mg/L: 284.4 • MAX Li mg/L: 313 • MIN Li mg/L: 254 for second borehole
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The grid system used is Argentina Gauss_Kruger POSGAR (WGS-84) zone 3 depending the location of the salar.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Brine will be sampled and analysed for chemical makeup, borehole has been converted to a piezometer well for observation and pumping tests will be carried out to provide information on the hydrogeologic properties of the aquifers and potential extractability of brines.