



PROJECTS - AUSTRALIA



PROJECTS - ARGENTINA



ABOUT

PepinNini Minerals Limited is a diversified ASX listed Exploration Company focused on developing and discovering major new mineral deposits. The Company has secured strategically located exploration tenements in the Musgrave Province of South Australia and the Georgetown Inlier of North Queensland. A portfolio of prospective exploration tenements has been established in Argentina with targets of Lithium, Copper and Gold.

DIRECTORS

Rebecca Holland-Kennedy

Managing Director

Philip Clifford

Technical Director

Robert WeiSun

Non-Executive Director

Sarah Clifton-Brown

Finance Director

Justin Nelson

Company Secretary

CONTACT

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FURTHER INFORMATION

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ASX RELEASE

26 July 2016

ASX:PNN

QUARTERLY ACTIVITIES AND CASH FLOW REPORT

JUNE 2016

- ◆ **Argentine Lithium Brine Project** - Eight new mining licences (*mina*) covering a total 159 square kilometres and prospective for their lithium brine potential were granted to the company by the Salta Province Mining Court in perpetuity.



- ◆ **Argentina Mining Conference** - PNN to participate in the conference in Salta City in September and commence field exploration activities on Lithium Brine Project.
- ◆ **Caroline Project (Central Musgrave)** - The PNN/CSIRO/SA DSD airborne electromagnetic survey collaboration has finally received consent from the APY executive and is scheduled to commence during August 2016.
- ◆ **Fundraising** - The company completed an entitlements issue 18 April and a Private Share Placement 11 July of ordinary fully paid shares to raise a combined total of \$1,431,287 before costs.



Project Locations



Argentina Salta Province Projects

PNN's wholly owned Argentine entity PepinNini SA has recently acquired eight new mining licences (*mina*) within the Salta Province of NW Argentina that are prospective for Lithium Brine to add to its portfolio of properties which includes the Santa Ines and Chivinar Projects (porphyry copper-gold) which have been the subject of previous exploration activities by the company.

During May, Managing Director, Rebecca Holland-Kennedy travelled to Salta, Argentina to make application to the Mining Court of Salta Province for eight mining leases (*Minas*). PepinNini was successful and received grant of eight properties (totalling 15,890 hectares) in the western part of the Salta Province considered prospective for Lithium Brines aquifers associated with *Salars* (Salt lakes). The *Minas* were granted on 22nd and 28th of June and the company has completed submission of environmental impact reporting to confirm the grant. The *Minas* are granted in perpetuity.

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

Salar	Mina	Area (hectares)*	Priority
Salar de Pular	Sulfa 1	657	High
Salar de Incahuasi	Dona Jacinta Primara BL	1,981	High
Salar de Salinas Grandes	Luxumburgo	2,495	Low - Medium
Salar de Salinas Grandes	Salinita Norte II	3,001	Medium
Salar de Arizaro	Ariza sur 1	3,004	Medium
Salina del Rincon	Villanovena 1	1,586	Low
Salar Gallegos	Nico 1	196	Medium
Salar Pocitos	Tabapocitos 02	2,970	Medium
Total		15,890	
* 100hectares = 1sqkm			

The company is excited about establishing an initial foothold across environments that are highly prospective for lithium brines and feels it will become well positioned to identify lithium deposits suitable for production over the medium term. The region of interest occurs within the recognised "Lithium Triangle" which covers parts of Argentina, Chile and Bolivia. Figure 1 shows a summary of lithium brine exploration and production activity in the vicinity of newly granted *minas*.



Figure 1: Locations of Lithium Brine Exploration and Production activity, Salta Province, Argentina

The eight *minas* are situated within seven different *salar* environments in the high *Puna* region of Salta Province. Initial exploration priority rankings shown in Table 1 are based on access and historical data. The company will participate in the Argentina Mining Conference in Salta in early September and plan to undertake reconnaissance assessment activities to better prioritise each of the project areas and initiate exploration activity. Rebecca Holland-Kennedy is currently in Argentina seeking to expand the tenure base across *salar* areas that are felt to be most promising.

Exploration activity planned for the *minas* over the next two years will include: Field reconnaissance, pit-sampling and mapping, ground geophysics, trenching and groundwater (brine) sampling, drilling, core and groundwater analysis, down-hole geophysics, aquifer testing for porosity and permeability, testing for aquifer flow and recharge rates, and resource estimation.

Pepinini has been exploring in the NW of Argentina since 2010 on the Santa Ines and Chivinar Copper Gold Projects located in the Salta Province. Pepinini SA have also applied for and been granted *Mina Valle Blanco 1* of 1,303 hectares located some 70km south west of Salta City and which has potential for rare earth elements such as cerium, lanthanum and scandium.



The *Puna* area, whilst located at high elevations within the Andean cordillera is surprisingly well serviced by infrastructure as demonstrated in Figure 2.

Pepinini SA

Salta Projects : Regional Infrastructure



Figure 2: Regional Infrastructure proximal to Pepinini Copper Gold and Lithium Brine Projects, Salta Province, Argentina.



Musgrave Province Projects

PNN's 100% Musgrave Project includes 8 exploration licence applications and 2 granted exploration licences. The tenure covers approximately 14,004 km² of the prospective Musgrave Block within South Australia. In addition to these licences in the name of NiCuL Minerals Ltd (NCL) a wholly owned subsidiary of PNN the company has engaged in ongoing negotiations regarding an extension or expansion to the previous Farm-in Joint Venture with Rio Tinto Exploration over five tenement applications and one granted tenement covering 1980 km² (See Figure 3).

Caroline Project (South Australia)

PNN is participating in a research and development (R&D) collaboration with the Minerals Down Under (MDU) division of the Commonwealth Scientific & Industry Research Organisation (CSIRO), Geoscience Australia (GA) and the South Australian Department of State Development (SA DSD). Although the program has encountered numerous delays over the past year and a half the company has now been advised that contractors are poised to commence the airborne electromagnetic survey data acquisition in August now that consent has been received from the Anangu Pitjantjatjara Yankanyatjara (APY) Executive.

As previously advised, the collaboration will involve the collection and interpretation of airborne electromagnetic datasets across the central Musgrave Region. The project will fly electromagnetic surveys across the region and provide the opportunity for PepinNini to undertake detailed infill surveys in areas of interest across its tenure in a staged approach which will assist targeting of nickel-copper sulphide mineralisation especially within the Company's Caroline and Anerinna Hills Project Areas (figure 4). No detailed high density surveys of this type have been carried out over the areas to be surveyed for PNN. In addition the regional survey will also cover parts of the company's Tietkins (EL5735), Katalina (ELA189/2015) and Ironwood Bore (ELA197/2015) tenement blocks with the potential to generate exciting new Ni-Cu-Co targets for further investigation.

The company has initiated a heritage clearance request to facilitate ground access to target areas in the southern part of EL5220 Mt Caroline. It is hoped that survey activities will be undertaken during August 2016 so that follow-up activities including ground geophysics, sampling and drilling may follow the airborne EM surveying without significant delays.

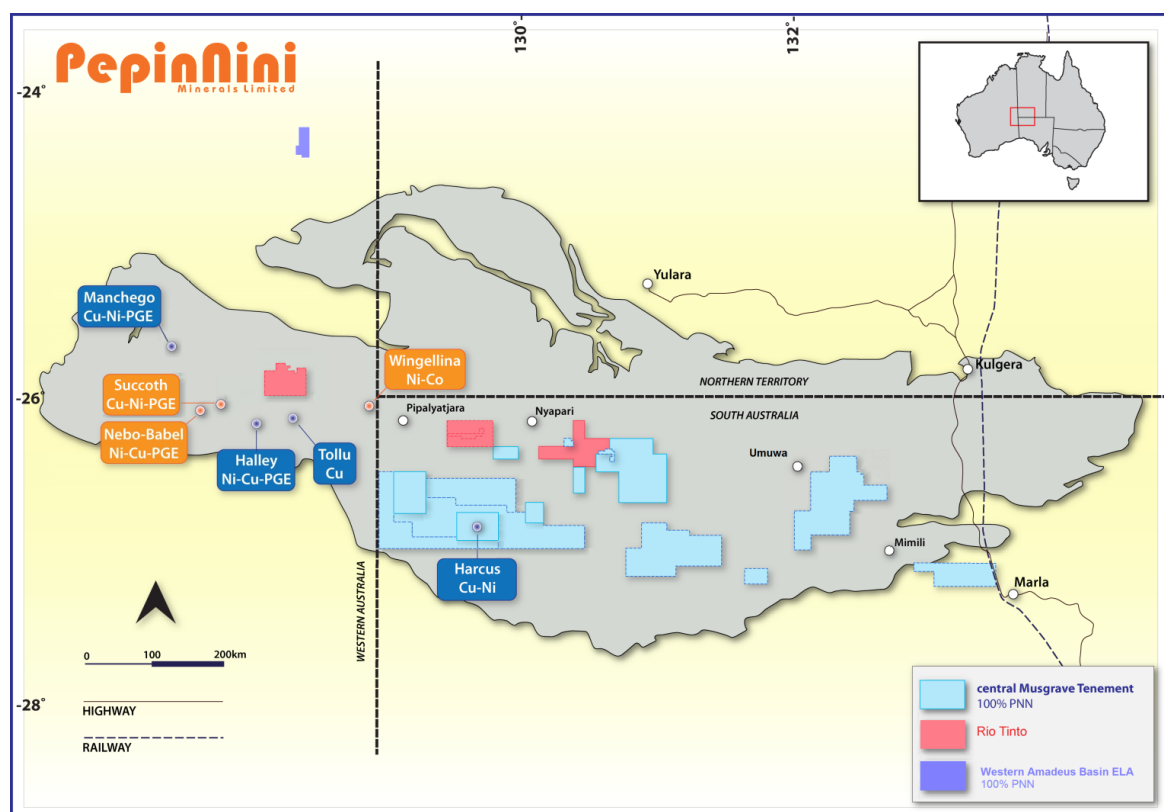


Figure 3: PNN's Musgrave Project locations, South Australia and Western Australia

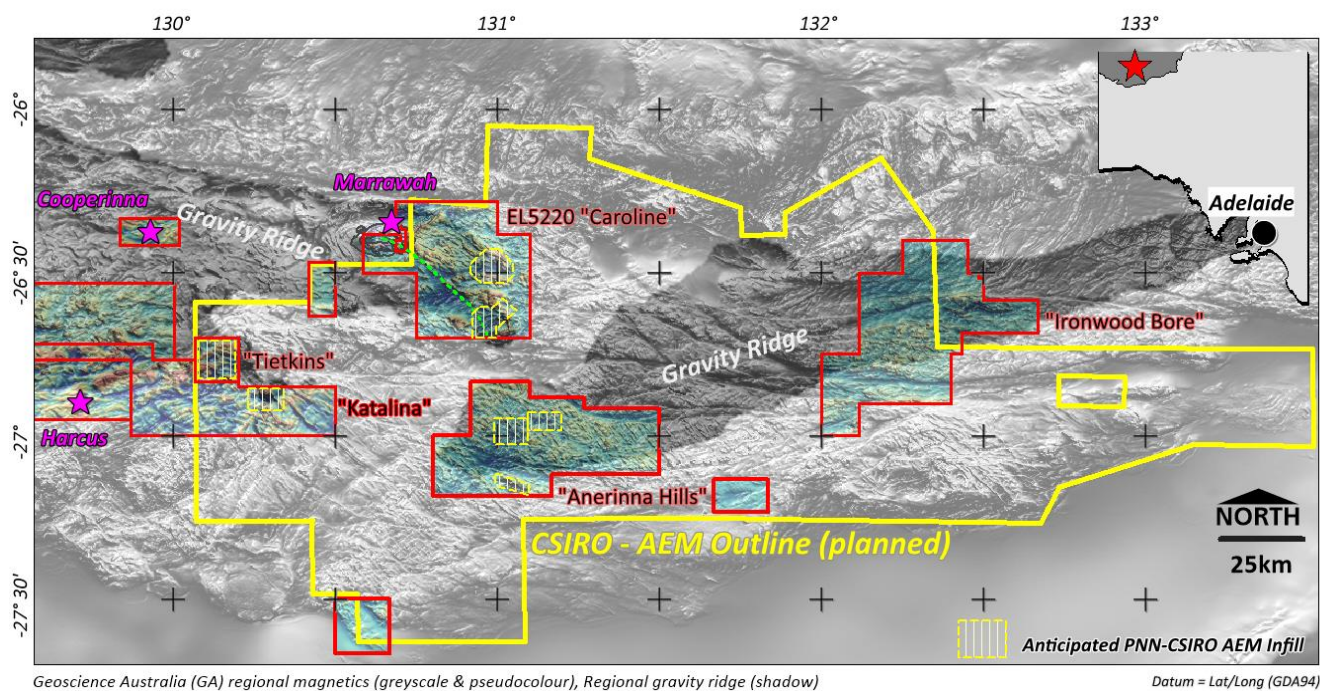


Figure 4 :CSIRO Airborne Electromagnetic Survey Areas - central Musgrave Region South Australia

Woodroffe Joint Venture (South Australia)

Ongoing renegotiation of an extension (or expansion) to the farm-in and joint venture agreement between NCL and Rio Tinto Exploration Pty Limited is yet to arrive at terms which are suitable to both parties. Whilst both companies have expressed the desire to conclude this matter soon final agreement on the terms is yet to be achieved. Meanwhile, Pepinini will continue to focus on the upcoming follow-up of any prospective nickel-copper-cobalt-PGE sulphide targets generated during the Minerals Down Under (CSIRO division) aerial electromagnetic (AEM) survey.

Western Australia - Western Amadeus Basin

Mozart Diamond/Basemetal Project

A single 42 block (131km²) exploration licence application (E69/3444) has been lodged covering an untested magnetic target in the West Amadeus Basin (WA). The application covers a bullseye magnetic anomaly that could represent a kimberlite intrusion. The discovery of numerous kimberlite bodies at the Meteoric Resources - Geocrystal Webb Diamond JV Project (200km north) which continues to yield microdiamonds, and historical surface microdiamonds at Mount Destruction (50km west) suggest that the target may be highly prospective. The project lies within Ngaanyatjarra Aboriginal lands, and is located approximately 20km west of the Tjukurla community. Graded tracks pass within 5km of the anomaly and so access to the site is logistically feasible.

Engagement with the Ngaanyatjarra Council has commenced regarding the negotiation and establishment of a mineral exploration access agreement with the Traditional Owners of the area. Grant of the licence will hopefully be achieved in the latter half of 2016.

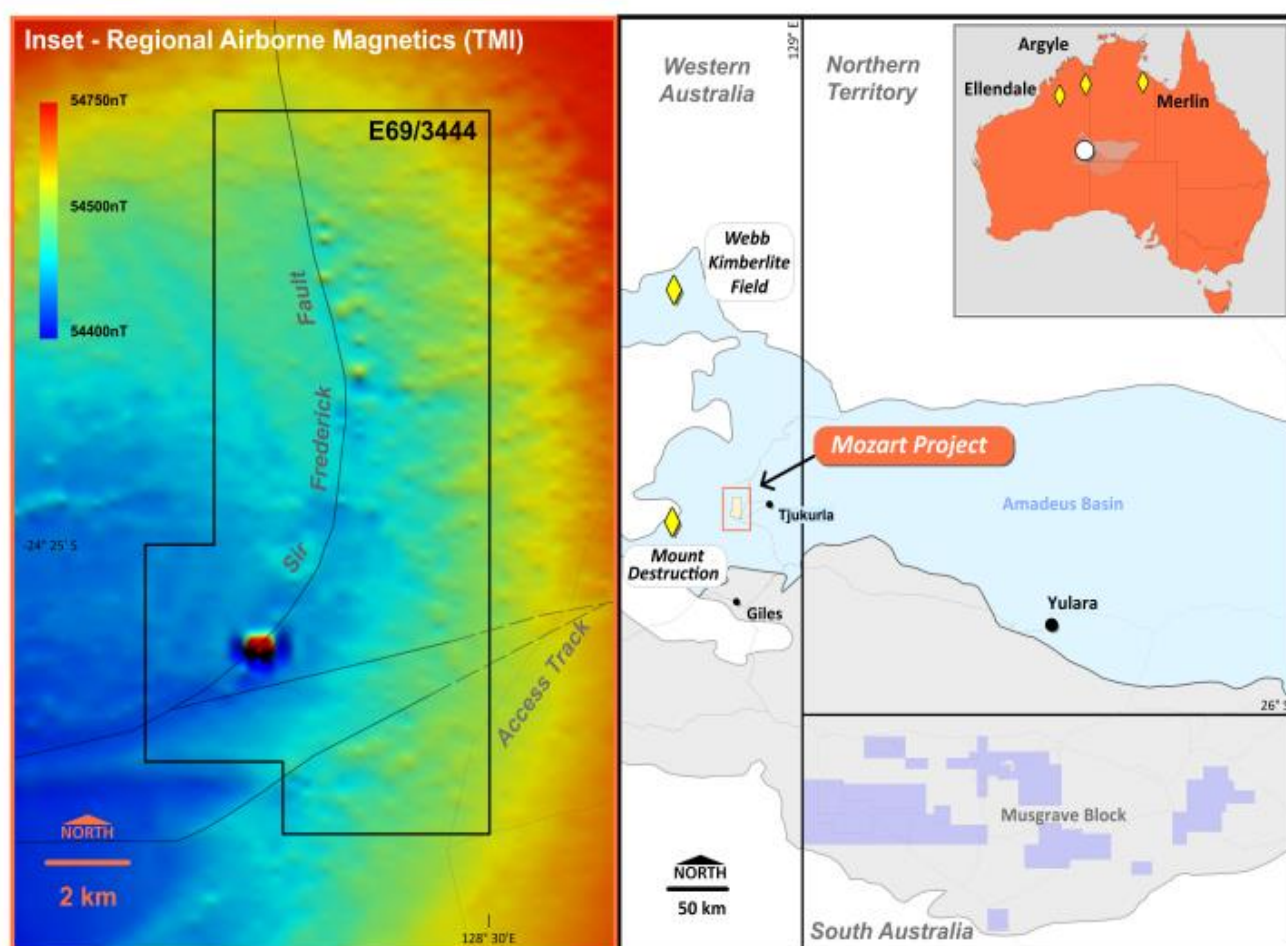


Figure 3 : Mozart Diamond Project - West Amadeus Basin (Western Australia)

Queensland Uranium and Gold Projects

The Oasis Project lies within the Georgetown Inlier, North Queensland. The Georgetown region has produced significant quantities of gold since the 1800's with the Kidston Gold mine located 35 kilometres west of the Oasis tenement having produced approximately 4.3 million ounces of gold.

The licence has been held by Pepinini primarily for its uranium potential at the Oasis Uranium Prospect which occurs within the tenure. The tenement also has gold potential within the Lynd Mylonite Zone which comprised the NE-SW trending structural zone extending over 17km between the Etheridge and Cape River geological provinces. Initial investigations of the gold potential in March 2016 were restricted due to heavy rainfall and wet access conditions which continued to delay further on-ground follow-up programs during the June quarter.

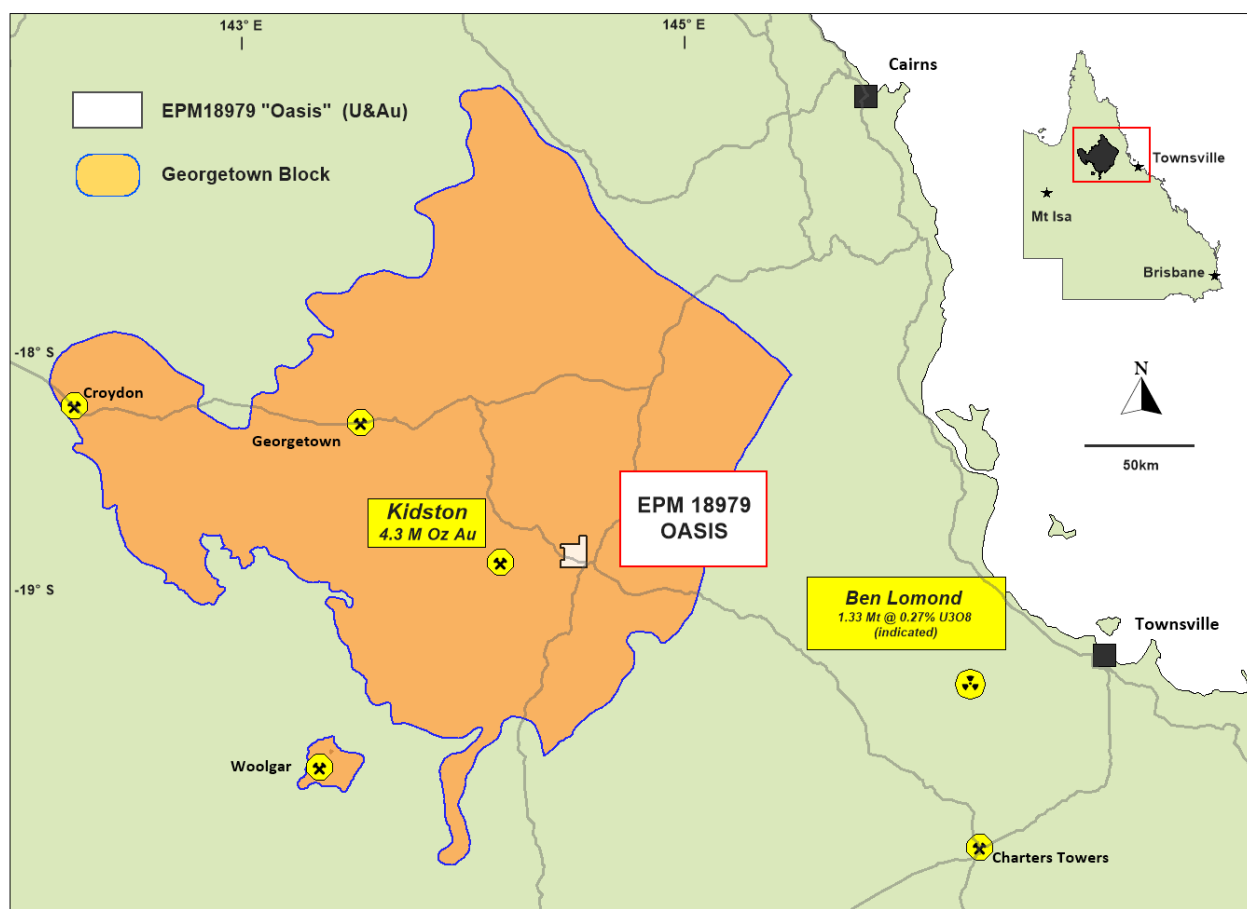


Figure 4 - Location map of EPM18979 "Oasis", Georgetown Block, North Queensland

Project Generation

PNN has continued to actively seek and assess a variety of gold, base metal, lithium pegmatite and lithium brine projects that may present a value adding opportunity to the project portfolio of the company in Australia and Argentina.



TENEMENT SCHEDULE Australia

Tenement	Tenement Name	Area Km ²	JV	PepinNini Interest	Grant Date
South Australia					
EL 5735(subsequent ELA granted)	Mt Marcus	1,607		100%	25/10/10
EL 5220	Mt Caroline	1,918		100%	25/2/13
EL 5185	Woodroffe	764	JV02	Earning 51%	24/9/12
ELA 278/82 - replaced by ELA 2015/213 & ELA 2015/214	Jalakana	77	JV02	Earning 51%	application
ELA 491/94 - replaced by ELA 2015/211 & ELA 2015/212	Aparatjara	537	JV02	Earning 51%	application
ELA 118/96	Anerinna Hills	2,415		70% *	application
ELA 185/96	Willugudinna	823		100%	application
ELA 367/09	Mt Caroline West	46		100%	application
ELA 368/09	Hanging Knoll	34		100%	application
ELA 189/15	Katalina	2,360		100%	application
ELA 190/15	Mt Agnes	1,342		100%	application
ELA 191/15	Krewinkel Hill	1,256		100%	application
ELA 197/15	Ironwood Bore	2,202		100%	application
ELA 211/15 - formerly EX491	Tjintalka	184	JV06	tbc *	application
ELA 212/15 - formerly EX491	Kapura	160	JV06	tbc *	application
ELA 213/15 - formerly EX278	Jalukana	234	JV06	tbc *	application
ELA 214/15 - formerly EX278	Tjalukana	37	JV06	tbc *	application
Queensland					
EPM 18979	Oasis	147		100%	17/8/12
Western Australia					
E69/69/3400	Morgan Range	601	JV06	tbc *	application
Totals		16,130			

* PNN/NCL interest pending finalisation and execution of JV agreement

Argentina

	Tenement	Type	Project	Application	Granted	Applied Area Ha	Title Holder
Cu-Au	Santa Ines VII	Mina	Chivinar	15-Apr-13	28-Nov-13	3,500	PNN SA 100% reinstated
Cu-Au	Santa Ines IV	Mina	Chivinar	25-Jun-12	10-Sep-13	3,598	PNN SA 100% reinstated
Cu-Au	Santa Ines VI	Mina	Chivinar	26-Jun-12	21-Nov-13	3,500	PNN SA 100% reinstated
Cu-Au	Santa Ines IX	Mina	Chivinar	30-Jul-13	20-Aug-14	3,417	PNN SA 100% reinstated
Cu-Au	Mina Santa Ines	Mina	Santa Ines	27-Sep-10	20-Sep-11	18	PNN SA 100%
Cu-Au	Santa Ines VIII	Mina	Santa Ines	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
Cu-Au	Santa Ines XII	Mina	Santa Ines	11-Oct-14	Not yet	511	PNN SA 100%
Cu-Au	Santa Ines XIII	Mina	Santa Ines	11-Oct-14	Not yet	3,311	PNN SA 100%
						20,855	
Li Brine	Sulfa 1	Mina	Salar de Pular	2-Jun-16	22-Jun-16	657	PNN SA 100%
Li Brine	Dona Jacinta Primara BL	Mina	Salar de Incahuasi	2-Jun-16	28-Jun-16	1,981	PNN SA 100%
Li Brine	Luxumburgo	Mina	Salar de Salinas Grandes	2-Jun-16	22-Jun-16	2,495	PNN SA 100%
Li Brine	Salinita Norte II	Mina	Salar de Salinas Grandes	2-Jun-16	22-Jun-16	3,001	PNN SA 100%
Li Brine	Ariza sur 1	Mina	Salar de Arizaro	2-Jun-16	22-Jun-16	3,004	PNN SA 100%
Li Brine	Villanovena 1	Mina	Salina del Rincon	2-Jun-16	22-Jun-16	1,586	PNN SA 100%
Li Brine	Nico 1	Mina	Salar Gallegos	2-Jun-16	22-Jun-16	195.5	PNN SA 100%
Li Brine	Tabapocitos 02	Mina	Salar Pocitos	2-Jun-16	22-Jun-16	2970	PNN SA 100%
REE	Valle Blanco 1	Mina	Valle Blanco	2-Jun-16	22-Jun-16	1,303	PNN SA 100%
						17,192.5	
Total 17						38,047.5	



PepinNini acknowledges and wishes to clearly advise investors that Lithium Brine Projects are a liquid resource and as such they are clearly **NOT** covered under the current JORC Code 2012 for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company will however endeavour to report project results at the same professional standard expected in the spirit of the code.

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:

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

Note: Additional information on PNN Minerals Limited can be found on the website :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, 01/05/2013

Name of entity

PepinNini Minerals Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

Jun 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	9	43
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(265) (136)	(1,210) (739)
1.3	Dividends received	3	15
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid	0	362
1.6	Income taxes paid/refund	0	0
1.7	Other (provide details if material)		
Net Operating Cash Flows		(389)	(1,529)
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	- - -	- - 22
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		-	22
1.13	Total operating and investing cash flows (carried forward)	(389)	(1,507)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(389)	(1,507)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	413	674
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	413	674
	Net increase (decrease) in cash held	24	(833)
1.20	Cash at beginning of quarter/year to date	391	1,248
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	415	415

Payments to directors of the entity, associates of the directors, 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	84
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 |\$76,934.79 |
| 2. Chairman, Managing Director, Administration Director and non-executive directors' Superannuation | \$7,308.78 |

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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+ See chapter 19 for defined terms.

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		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	210
4.2 Development	
4.3 Production	
4.4 Administration	90
Total	300

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	206	32
5.2 Deposits at call	209	359
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	415	391

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil	Nil	Nil	nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Argentina	8 Mina	Nil	100%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas 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	270,739,774	270,739,774	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	51,255,288	51,255,288	0.7c	0.7c
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)	300,000 300,000 300,000 100,000 100,000 100,000 200,000 200,000 200,000	0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee) 0 (employee)	<i>Exercise price</i> 3c 6c 10c 3c 6c 10c 2c 5c 8c	<i>Expiry date</i> 9 Nov 17 9 Nov 18 9 Nov 19 31 Jan 19 31 Jan 20 31 Jan 21 30 Apr 18 30 Apr 19 30 Apr 20
7.8	Issued during quarter	200,000 200,000 200,000	0 (employee) 0 (employee) 0 (employee)	2c 5c 8c	30 Apr 18 30 Apr 19 30 Apr 20
7.9	Exercised during quarter				
7.10	Expired during quarter	2,500,000 2,500,000 1,600,000	0 (employee) 0 (employee) 0 (employee)	4c 6c 12.5c	1 Jun 16 1 Jun 16 1 Jun 16

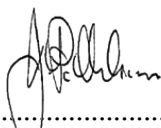
+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)



Date: Tuesday 26 July 2016

Print name: Justin Nelson.....

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.